



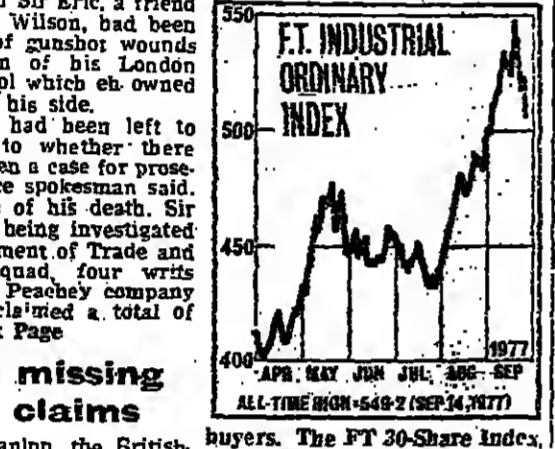
sonofone £1.25 per week

CONTINENTAL SELLING PRICES: AUSTRIA Ss.15; BELGIUM Fr.25; DENMARK Kr.3.5; FRANCE Fr.3.0; GERMANY DM2.0; ITALY L.500; NETHERLANDS Fl.2.0; NORWAY Kr.3.5; PORTUGAL Esc.20; SPAIN Ptas.40; SWEDEN Kr.3.25; SWITZERLAND Fr.3.0; EIRE 12p

MARKETS SUMMARY

BUSINESS Gilts rise sharply; equities off 14.5

GILTS gained further ground, with long-dated stocks advancing up to £21 in strong demand.



The FT 30-Share Index, down 6.6 at 3 p.m., closed at 505.5, up 14.5 and nearly 8 per cent. below its peak.

STERLING edged down 1 point to \$1.7432, while its trade-weighted index was unchanged at 62.3.

WALL STREET fell 1.32 to 339.14.

U.S. MONEY SUPPLY fell \$331.6bn. (7329 bn.) to \$731.3bn. (7329 bn.).

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Poulenc crisis after big losses in textiles

BY DAVID CURRY: Paris, Sept. 22

The three-year crisis at the synthetic fibres division of the French chemicals group Rhone-Poulenc has finally come to a head.

Faced with losses which for three successive years will have exceeded the company's Frs. 250m. (\$40m.) capital, shareholders have given the chairman three months to come up with a formula to eliminate the repeated operating deficits.

The plight of Rhone-Poulenc Textile is an immediate political issue. Not only is the Government desperately trying to contain the country's record 1.2m. unemployment six months ahead of the general election next March, but Rhone-Poulenc itself is one of the nine industrial groups on the list of concerns to be nationalised by a Socialist-Communist government if the Left wins the election.

The threat of substantial redundancy will become ready fuel to stoke the Left's political fire.

The damage inflicted by its textiles subsidiary on the parent company has been substantial. It bears chief responsibility for the Frs. 911m. (£10m.) group loss in 1975 and last year's Frs. 569m. deficit. The parent company says it wants to remain in textiles but is anxious to continue the development of sectors like fine chemicals, pharmaceutical and sanitary products, and agro-chemicals with Frs. 750m. (£85m.) in 1975.

The 1977 short-fall is unlikely to be below this figure.

French law requires that when losses exceed the equivalent of three-quarters of capital the question of whether trading should be put to shareholders. For the past two years the textiles company has been able to avoid doing this thanks to the willingness of the parent company to wipe out the losses and by calling in reserves.

Now the parent company has decided that it cannot continue to pour money into its fibres subsidiary without prejudicing the development of its other activities, foreign Rhone-Poulenc Textile to call an emergency shareholders' meeting. It gave M. Augustin Mollard, the chairman, until December 20 to come up with a formula to eliminate the losses.

Over the past three years the company has already reduced its workforce from 20,000 to 15,500. Now it admits that "draconian" steps will have to be taken. Artificial fibre plants at Albi, Givet, Rouanne and Grenoble seem virtually condemned, though the facilities in either Dordrecht in Holland or Maydown in Ulster, company is careful at the moment to talk only generally about the need to cut costs, increase productivity and direct investment towards the most profitable and exportable products.

The main problem is in France from which the company gets half its turnover. The third of its sales which come from Great Britain is a relatively buoyant part of its activities. French factories are operating at only 70 per cent. of capacity, and the company is worried not merely by the competition from overseas fibres producers but by the liberalisation of the market for its products themselves being knocked out of the market, by imported finished goods.

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Healey considers a further stimulus for the economy

BY JUREK MARTIN

MR. DENIS HEALEY, the Chancellor of the Exchequer, made it clear here today that a further relaxation of the package of measures to stimulate the British economy was an advanced stage of preparation.

Speaking at the two-day pre-IMF meeting of Commonwealth Finance Ministers, the Chancellor told reporters: "I am now considering whether it would be possible to add some further stimulus, and if so how, and when."

Asked about the timing, Mr. Healey indicated that the Government would first need a clear idea about the course of wage settlements. In particular he cited Ford, and the local authority workers, the subject of wage negotiations should be clear by early November.

Such a timetable would take the measure to the new session of Parliament after the Labour Party conference.

The measures would have to be approved, of course, by the Cabinet, but it is unlikely, given the figures to dispute the need for some stimulus. The size and composition might be subject to debate.

With the U.K. so well within the official IMF target for domestic credit expansion and the public-sector borrowing requirement, and with the Government's monetary target holding firm, it is unlikely that the November measures would depend on the timing of the next visit of the IMF mission to London.

It is becoming clear that Britain will probably not draw any more from her facility with the IMF.

There has been some adverse comment in international monetary circles that Britain should have considered it necessary to go ahead with her last drawing in August, given the accumulations of reserves.

It is known that various measures on public expenditure and job creation have been on the cards if progress, on pay settlements makes the package justifiable.

The conventional assumption is also that reduction in income tax in November imposes too much of a burden on the Inland Revenue, and that spring is administratively the best time.

Mr. Healey is known to be strongly against reducing indirect taxation further; value-added tax in particular is already considered expensive to collect, as well as, at 5 per cent., already the lowest in Europe.

The Chancellor's reference to a further stimulus came after he had given a fairly gloomy view about the state of the world economy.

While welcoming the recent reflationary packages by West Germany and Japan, he said: "They are unlikely to reduce their payment surplus sufficiently and will not reduce their unemployment level."

Mr. Healey warned that the OECD area would be lucky to achieve even 4 per cent. growth this year, and that unemployment would remain at an "appallingly high" level of 15m. in spite of its decline in the U.S.

It is understood that next week's IMF meeting will institute special studies into the structural problem of unemployment.

Mr. Healey reiterated the British theme that the burden of recycling the \$40bn. OPEC surplus was "not being evenly or fairly shared." Japanese and Germans were still running large surpluses. Deflationary pressure on other oil-consuming countries was considerable. He said he was bound to note that even the U.S. deficit largely reflected oil imports.

Dispute over post, Back page

Councils stick to 10% pay limit

BY CHRISTIAN TYLER, LABOUR EDITOR

THE GOVERNMENT'S determination to set an example on wage moderation in the public sector was strengthened yesterday by a decision of local authorities in the two urban areas of England and Wales not to allow any of their employees to exceed the Chancellor's guideline.

About 40 negotiators for the Association of Metropolitan Authorities met in London yesterday and agreed unanimously that all groups—manual workers, white-collar teachers and council staff—must settle within the 10 per cent. ceiling on earnings laid down by the Government.

A further buttress for the "orderly return to free collective bargaining" is understood to have been provided by the Transport and General Workers authority manual workers from November 5.

The union's executive is believed to have decided to bow to the majority decision of the TUC Congress to stand by the 12-month rule, even though the overall cost of the settlement did not exceed 10 per cent.

The executives' decision, if honoured to the full by the union's negotiators, would have considerable psychological impact. But its practical effect on the winter wage round would be limited since the CGWU, like the TUC itself, has not enforced the Government's pay limit.

However, the announcement from the Metropolitan authorities has a direct bearing on negotiators, which have now begun, on a claim for a "substantial" increase for 1m. local

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Employers are working within a 5.5 per cent. cash limit for wages, fixed last year for 1977-78, but would probably settle for more than that provided the overall cost of the settlement did not exceed 10 per cent.

The cost of exceeding the cash limit for the 1m. manual workers would be borne by the authorities, but they expect to recoup that in negotiations with the Government on the rate support grant.

The extra cost in the current year could be as low as £20m., compared with the present wage bill of £7.5bn. for 2.5m. workers in England and Wales.

New cash limits have yet to be fixed for the financial year beginning April 1, but these will be in line with the 10 per cent. earnings ceiling.

The Metropolitan authorities were reacting to a strongly worded circular from the central negotiating body, the Local Authorities Conditions of Service Advisory Board.

This says that a settlement in excess of the Government's guideline for one group cannot be financed at the expense of another group, and it warns that not only should individual authorities not conclude local deals under pressure from their employees, but should not even make public statements or pass resolutions referring to local deals.

Despite the firm line, the employers are clearly aware of the severe pressure that will be put on them by the Government.

Continued on Back Page

Scottish Broom's claim Page 10

Mackie loses export guarantees

BY GILES MERRITT

THE GOVERNMENT decided last night to apply its sanction of withdrawing export credit guarantees from the Belfast engineering concern of James Mackie and Soos, whose wage increases have breached the pay policy guidelines.

After a day of fruitless talks between Stormont officials and the Mackie management it was clear that the company would not attempt to renegotiate its 22.25 per cent. wage increases for 4,000 workers with the trade unions.

Mr. Don Connochie, Northern Ireland Minister of State, who directed Mackie to re-negotiate earlier this week on pain of losing Export Credit Guarantee Department facilities, instructed the ECGD in London yesterday to tell Mackie that cover would not be available for its 50 per cent. share of a 25m. textile plant ordered by Vietnam.

It is understood that Mackie intends to look elsewhere for export insurance and will try to arrange sufficient guarantees for its Vietnamese export order.

The deal is for a joint process-plant that will produce rice trading body Technoport.

With the factory buildings reported to be completed by Arcon Building Exports, and ECGD action against Mackie since Mackie is the market leader in the rice processing field, it is thought that the Vietnamese government would be eager to arrange a private credit insurance package.

It was revealed yesterday that more than a dozen leading engineering concerns in the province's private sector also have plans to negotiate pay awards averaging about 30 per cent.

Stormont Castle officials emphasised last night that the Government was applying the Export Guarantees Act of 1975. However, the Vicman and Tanzania contracts fall under Section 2, which backlogs is at the Secretary of State's discretion.

Editorial comment Page 18

ECGD snags Page 7

American Express takes share in control of Lotus

BY MICHAEL LAFFERTY, CITY STAFF

LOTUS, the sports car concern, has turned to American Express for finance, on terms which give a significant measure of control to the American banking group, after Lotus had been turned down by City investing institutions such as Equity Capital for Industry and Finance for Industry.

Details of the new financing scheme, together with the Group Lotus Car Companies' accounts for the year to December 1976, qualified by the auditors, Peat Marwick Mitchell, yesterday.

Peat Marwick qualified its opinion because it was unable to satisfy itself about recoverability of interest-free loans to companies controlled by certain Lotus directors, amounting to £28,755. The amount of these loans outstanding had since been reduced to £39,955.

The accounts reveal a number of other business dealings between Group Lotus Car Companies and other companies controlled by certain Lotus directors.

Lotus will get a £2m. loan and a £900,000 overdraft facility from American Express International Banking Corporation for five years. In return, Lotus will give American Express:

● An option to acquire almost 10 per cent. of the Lotus equity.

● The right to appoint a director, a commitment to limit its dividends to not more than 12 1/2 per cent. of shareholders' funds.

● A debenture creating a fixed charge over the majority of the fixed assets of the company.

The terms of the loan provide that it be used to repay monies of £945,539 borrowed from National Westminster Bank and certain other liabilities of £22,402. After this it may be used to fund any capital project which may be agreed in future with American Express, and generally for working capital purposes.

The total cost of arranging the new finance is put at £108,000, of which £85,000 goes to fees

to American Express. Lotus will pay its new bankers a management fee of £8,750 a year.

Lotus shares closed 2p down at 35p yesterday. This compares with the subscription price of 37p a share which American Express will have the option of acquiring.

Lotus reported a pre-tax profit of almost £17,000 for 1976, compared with a loss of over £12m. the previous year.

Mr. Colin Chapoian, the chairman, says that the financial reconstruction will enable the company to increase production to meet demand for the Spirit, the latest Lotus model, particularly in the U.S., and to maintain its development and marketing programmes.

Your directors, having considered other methods of financing your company, are firmly of the opinion that these arrangements are in the best interests of the company," he informs shareholders.

Lex Back Page

PRICE CHANGES YESTERDAY

Table with 2 columns: Item and Price Change. Includes items like Brit. Home Stores, Brit. Printing, Decca A, etc.

FEATURES

Table with 2 columns: Feature and Page Number. Includes Germany and the Terrorists, Politics To-day, etc.

ON OTHER PAGES

Table with 2 columns: Page Number and Content. Includes Lex, Lombard, Men and Motors, etc.

INTERIM STATEMENTS

Table with 2 columns: Page Number and Statement Title. Includes Amer. Corp. S, C. T. Bowring, etc.

Advertisement for Dewar's whisky with a large image of a bottle and the text 'Who were the first to bottle the spirit of Scotland?' and 'For those with a taste for the original.'

LOMBARD

How to fill the 'Ryder gap'

BY GEOFFREY OWEN

When the National Enterprise Board was set up no one imagined that it would emerge as the saviour of the small firm.

Tiddlers

Many people regard these deals as a distinctly odd use of taxpayers' money, but there are presumably institutions in the private sector which should be capable of doing the job.

Cumbersome

Yet there is an impression that these older institutions which are supposed to serve small companies have not been doing the job well enough.

Why isn't the private sector helping these firms? Some critics might point the finger at Equity Capital for industry, which has done only four deals so far.

NORTH SEA OIL REVIEW

Why Buchan baffles the best

GIVE THE exploration and appraisal data of any one field of ten offshore oil experts-geophysicists, reservoir engineers and the like-and it is a fair bet that you will be rewarded with a profile of ten seemingly different fields.



It is impossible to map with total accuracy a reservoir which might be hidden thousands of feet under a seabed which, in turn, could be hundreds of feet below the water surface.

It has been said that the only thing certain about the North Sea is that the unexpected will happen. So we have seen dry holes.

Like Argyl, Buchan is a puzzling structure. It may be one reason why the Energy Department has not yet given its full consent for development.

Gilbert Elliott and Company estimates that between 180m and 300m barrels will be recovered from a field containing 580m to 760m barrels.

These figures seem to conflict with those that I believe are now being considered by the Energy Department officials (but which at this stage, is to say that they are wrong).

Even the Buchan partners are not unanimous. According to industry reports, the estimates of oil in place range from 350m barrels to around 650m barrels.

To explain why there is such a divergence of opinion it is necessary to examine the complex geology of the Buchan structure which lies to block 21/1, about 52 miles to the north east of Peterhead in Scotland.

On the other hand, it is thought that the Buchan partnership is evaluating new methods of field-recovery which could partly overcome the low porosity of the rock.

Fortunately, it is possible to extract Buchan oil through floating production systems which test that the main flow of oil is to the one used on Argyl.

All the oil will flow through a semi-submersible rig and be pumped into tankers via a floating offshore loading system.

RIG MOVEMENTS OFFSHORE THE U.K.

Table with columns: Operator, Rig, Block, and dates. Lists movements for Amoco, British Petroleum, Shell, etc.

BY DOMINIC W.

Several highly promising staling juveniles lie up for this afternoon's Argos Stakes. The first of them to be named is as a surprise to me if this event produces a lively prospect for next year's Oaks.

F.T. CROSSWORD PUZZLE No. 3474

Crossword puzzle grid with clues for Across and Down.

ACROSS: 1 Liquid lost when wine is strained (8)

DOWN: 1 Odds on ceremony providing spirit (8)

Solution to Puzzle No. 3473

ACROSS: 1 Liquid lost when wine is strained (8)

Wales Today

7.05 Wales Today. 7.05 Wales Today. 7.05 Wales Today.

6.40 am. Open University. 11.00 Play School. 2.00 pm. Racing from Ascot.

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HTV

1.20 pm. Report West Midlands. 1.25 Report West Midlands.

1.20 pm. Report West Midlands. 1.25 Report West Midlands.

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1.20 pm. Report West Midlands. 1.25 Report West Midlands.

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Watch Out pick of promising fillies over Ascot mile

Several highly promising staling juveniles lie up for this afternoon's Argos Stakes.

Those who have stood their ground include Cherry Hinton, the favourite in some lists for the One Thousand Guineas.

From sired by a slow early pace and would have been seen to better advantage.

Several fillies have had a better season than Apple Peel and Coyle Stakes.

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Weekend changes for Radio

MAJOR CHANGES to week-end programming on BBC Radio Four, including new programmes aimed at winning back waning audience.

Mr. Ian McIntyre, the network controller, said: "The changes to the Saturday afternoon and Sunday morning schedules are designed to rebuild audiences in areas where they have slowly slipped away in recent years."

There will be complete "restructuring" of Sunday Now, The Listening, at mid-day, Saturday edition of PM.

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Song



BY DOMINIC W.

There are grounds for the belief that the Newmarket old can add further to its riches with a victory Taylor Woodrow Chair.

Willie Carso's mount, away with the Newmarket's Handicap, had the misfortune to be put up her most spectacular performance to date when Betty Bess by seven here in June.

A reproduction of the should see Apple Peel the better of two other fillies, Swaggar and Fat.

In another wide-open Scotland's Burmah Cup, Sea is suggested as a possible proposition at around 25-1.

McCloud holds a bright of getting off the mark Coyle Stakes.

ENTERTAINMENTS GUIDE (Cont.)

Entertainment guide listing theatres, cinemas, and radio programmes.

EUROPEAN NEWS

Left-wing conference in Bologna seen as threat by PCI

BY PAUL BETTS

A CONTROVERSIAL conference being staged in Bologna this week-end may give the first concrete indication whether Italy's Communist Party (PCI) risks being outmanoeuvred on its left—in part as a response to the party's agreement to sustain openly the minority Christian Democrat Government of Sig. Giulio Andreotti in office through the so-called inter-party "programmatic accord."

ROME, Sept. 22

party members. Earlier this year, Bologna was the scene of some of the fiercest student rioting since the student unrest of the late 1960s.

A spokesman for one of the new left-wing groups said he hoped the congress would be peaceful and orderly.

The Communist administration of Bologna, led by its Mayor, Sig. Renato Zangheri, has held a series of consultations with the organisers of the congress who have demanded cut-price meals and accommodation for the 30,000 or so left-wing sympathisers expected to take part in the congress.

But while Sig. Zangheri appears to have made sizeable concessions to the congress organisers, a row has already erupted between the organisers and Italian journalists. The organisers, in effect, are asking journalists to pay £75 for accreditation and an additional £20 for each interview granted by a member of one of the many left-wing groups. When a journalist representing the official Communist Party newspaper, l'Unita, tried yesterday to interview a spokesman of one of the groups without paying the required accreditation fee, a violent scuffle broke out.

THE VATICAN AND POLITICS

Fighting the Communist tide

BY DOMINICK J. COYLE IN ROME

POPE PAUL VI, who celebrates his 80th birthday next Monday, flew last week-end to the Adriatic resort of Pescara to mark the closing of the Eucharist congress there. Meanwhile Sig. Enrico Berlinguer, Secretary-General of Italy's powerful Communist Party (PCI), was in the northern industrial centre of Modena at the end of a period of festivities organised by the party daily, l'Unita. Both men were received with enthusiasm, in both cases by an audience of around 200,000.

What is particularly interesting about these two events is that their happening at the same time, and drawing roughly similar crowds, was drawn to my attention when I asked an informed Vatican source, why the Pope had decided to visit Pescara at all. His presence at such events is not common, nor do popes lightly leave the Vatican City in Rome, except for the nearby holiday retreat at Castel Gandolfo. In fact, the present Pope has been more active than his predecessors, and has left Rome on some 20 occasions during his 14-year reign, which, according to Pope Paul himself, may well be coming to its close. "I see myself approaching the hereafter," he told an audience last month.

The interpretation that the Pope was simply showing the flag in Pescara, demonstrating that he can still draw large crowds in an Italy which has legalised divorce (and, worse still, in Vatican eyes, confirmed the decision in a referendum), where abortion is practised widely, if still illegally, and where the present Christian Democrat government is involved in re-negotiating the 1929 concordat with the Vatican, may appear simplistic.

But it may also come close to the truth, for the present Pope is known to believe privately, as his Vicar in Rome, Ugo, Cardinal Poletti, has said publicly, that the advancing tide of Communism in Italy is not irreversible. It is certainly true that the Vatican's direct influence in Italian politics has diminished greatly from the days when it was assumed generally, although not always accurately, that the Christian Democratic Party was little more than its voice. Yet the Vatican can still exert political influence, even if this is seldom visible to the Italian public.

The Communist Party itself often to the open annoyance of the small lay parties, avoids anything approaching an open confrontation with the Vatican, in part, of course, because Italy (numerically at least) is still predominantly Roman Catholic, even if one voter in three now votes Communist. The party hierarchy also notes with interest the Vatican's own increasing overtures to communist regimes in Eastern Europe.

In a real sense, these have formed the main foreign policy initiative of Pope Paul's reign, which is why he hesitates for the moment anyway stopped short of finally expelling the rebel French prelate, Archbishop Lefebvre. This also partly explains the conservatism of his reign, pulling back from earlier openness of thought, and often response, on questions of theology and even more of the church's organisation.

The Vatican itself has been quick to deny a rash of speculative reports that the Pope's reign is about to end, that he will retire on reaching 80 (incidentally the age at which cardinals become ineligible to vote in elections for a new pope.) Pope Paul himself is now crippled with arthritis and was visibly tired in Pescara.

He remains extremely active in mind, working for long hours each day with his two private secretaries (one Italian, one Irish) and, while he seldom nowadays meets with his Cabinet, the heads of the Vatican congregations or "ministries," he does have regular discussions with individual members.

Pope Paul has certainly ensured that the Secretariat of State has during his reign regained its former control over the church, a role threatened under Pope John XXIII, who was less interested in power than in pastoral inspiration, and preferred a most pluralist structure. His successor, particularly in

his later years, has lived with a real fear of schism in the church, which is why he hesitates for the moment anyway stopped short of finally expelling the rebel French prelate, Archbishop Lefebvre. This also partly explains the conservatism of his reign, pulling back from earlier openness of thought, and often response, on questions of theology and even more of the church's organisation.

Within the curia, the signs are that the conservatives are again in the ascendant, although of course the next pontiff could change all that. The church out in the world presents a somewhat different picture, and this may become even more apparent as the latest synod of bishops which is due to open here at the end of next week. Some 200 bishops representing almost 150 countries will be discussing, in effect, how the Roman Catholic Church should convey the Christian message, especially to young people.

It will be surprising if there is not some argument about what precisely that message is, and its relevance to socio-economic circumstances of the world in the closing decades of this century. The Vatican will hear some novel, perhaps even radical, voices: 70 per cent of the bishops attending did not participate in the second Vatican council, and half were not in Rome for the last bishops' synod only three years ago.

Economy dominates Callaghan Rome

BY DOMINICK J. COYLE

ROME

ECONOMIC ISSUES dominated the talks here today between Mr. James Callaghan and the Italian Prime Minister, Sig. Giulio Andreotti, two politicians who are well aware of the potential significance of the heavy and still-rising unemployment in their respective countries.

At this, the first bilateral Anglo-Italian summit meeting since 1973, the two Prime Ministers took note of the recent recessionary measures in both Japan and West Germany, and, according to the British side, were agreed that more remained to be done by the world's major industrial countries if the ECED countries was to be halted, and subsequently reversed.

Mr. Callaghan said later that in his view unemployment throughout Europe, and indeed in the rest of the world, would continue to rise in the immediate future, but he would not be drawn on plans for recessionary steps, either by his own Govern-

ment or the Andreotti.

Reports from the however, suggest it had recessionary measures in two countries were general terms during the talks.

Sig. Andreotti, in turn, gave the Premier, referred to as the "con ideas" between the two men on a wide range of topics discussed, in enlargements and negotiations. Rhodessa, the ally in the Horn of East-West "dialogue" for a complex treaty.

While he did not explicitly, Mr. Callaghan later that he had secured the uneasy support of Britain's Joint European Commission project, as well as Callaghan in the fierce to an able German location.

Record Italian payments set

ROME

ITALY had a record \$1.03bn. dollar balance of payments surplus in August, enabling it to repay some of its heavy foreign debt, the Bank of Italy announced today. The August surplus brought currency reserves to \$7.4bn, a record level the bank said.

\$1.5bn. loan from the International Monetary Fund cut the short-term Italian banks, which rising steadily for a year. Since the start of 1974, Italy has repaid \$500m. of \$2bn. 90c. and it will make imbursement to it week.

As a result of the surplus, Italy was able to repay part of a

Norway ministry reshuffle proposed

By Fay Gjerster

OSLO, Sept. 22. NORWAY'S Ministry of Trade and Shipping may take over responsibility for offshore oil and gas matters, at present dealt with by the Industry Ministry, if the Government accepts the recommendations of a Royal Commission. The commission, which has been studying the advisability of re-organising the existing ministerial set-up, presented its report to Prime Minister Odne Nordli last week.

Although the report will not be published until Mr. Nordli has had time to study it, press leaks say it advises giving oil affairs to the Ministry of Trade, rather than creating a separate Oil Ministry. The argument for doing this, according to the reports, is the growing importance of Norway's petroleum exports.

Initial reaction to the proposed reshuffle has been largely negative. A spokesman for Norway's heavy engineering industry, Mr. Jens Ulvin, said the idea was "strange." The trade policy aspects of oil and gas were far less important than the industrial policy aspects.

The president of the Aker Shipbuilding group, Mr. Carsten Schanche, said it was hard to understand the reasons for the proposal.

Several suits that can keep men afloat in the icy North Sea should be compulsory equipment aboard helicopters moving personnel to and from North Sea platforms, a Norwegian offshore union argues.

The union—NOGME—has asked the Oil Directorate to order North Sea operators to equip all such helicopters with these suits. The investment involved would be small, compared with total North Sea spending points out. Five thousand suits would cost Nkr.9m. (£950,000). Phillips Petroleum already provides survival suits for its employees on Norway's Ekofisk field.

The union first raised the matter with the Norwegian Civil Aviation Directorate, which said regulations already provided for other types of life-saving equipment on the personnel helicopters.

In its appeal to the Oil Directorate, the union says it is "unacceptable" that provision of safety equipment should be a matter for industrial bargaining.

The provision of survival suits for its employees on Norway's Ekofisk field.

THE PROVISION OF survival suits for its employees on Norway's Ekofisk field.

THE PROVISION OF survival suits for its employees on Norway's Ekofisk field.

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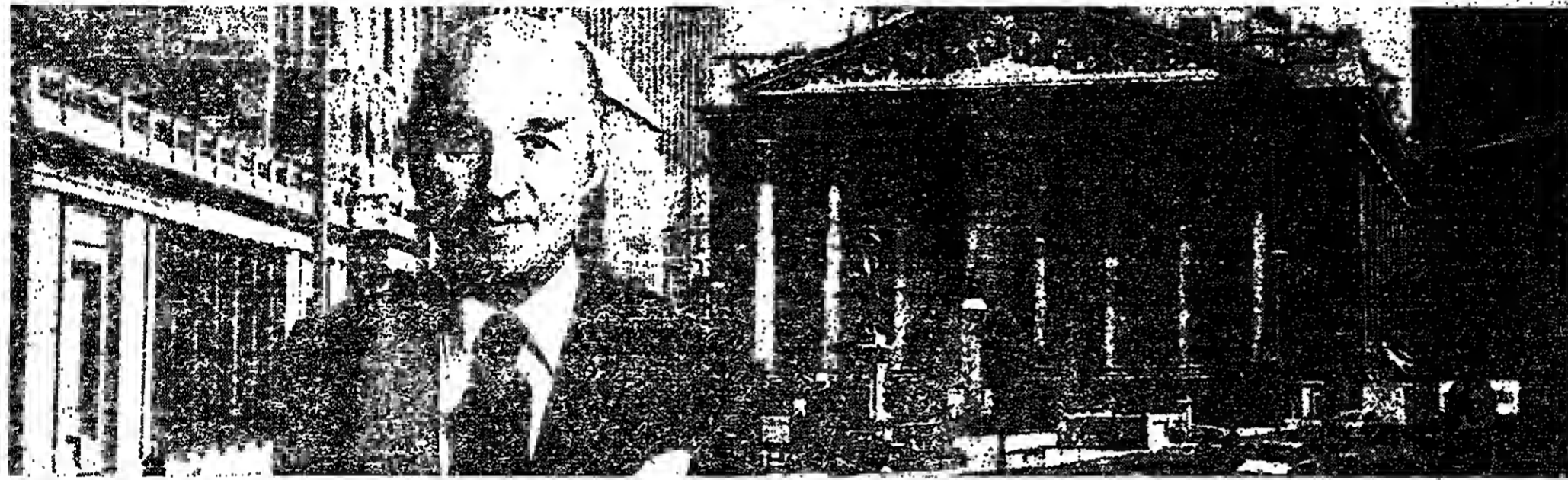
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Economist
Callaghan

EUROPEAN NEWS

مكتبة الصحف

Belgium ponders response Fairey closure threat

By D. BUCHAN
BRUSSELS, Sept. 22.
The Belgian Government is today deciding how to respond to the ultimatum delivered last week by Fairey, the aircraft manufacturer, that it would close down its plant in Belgium unless the Government agreed to a new deal. The ultimatum was delivered to the Government by the Belgian Minister for Economic Affairs, Mr. John Talbot, on Monday. The ultimatum was delivered to the Government by the Belgian Minister for Economic Affairs, Mr. John Talbot, on Monday. The ultimatum was delivered to the Government by the Belgian Minister for Economic Affairs, Mr. John Talbot, on Monday.

Spain to abandon most price controls

By Diana Smith
MADRID, Sept. 22.
THE SPANISH Government is about to abandon its attempt to control the prices of all but about 20 essential goods and services. It has recognised the failure of massive state control of prices—in the first six months of this year controlled food prices rose 20 per cent, whereas free food prices rose by only 10 per cent.

OECD STUDY ON NUCLEAR WASTE U.S. 'throw-away' cycle rejected

By DAVID FISHLICK, SCIENCE EDITOR
THE "throw-away" cycle for spent nuclear fuel, as proposed by the U.S. Government in order to avoid reprocessing and urged by some opponents of the Windscale expansion plans, will create greater difficulties in radioactive waste management, according to a major OECD study released today.
The report comes on the eve of an announcement expected from the U.S. Government, offering to store spent nuclear fuel in casks at both in the U.S. and overseas, in order to avoid reprocessing.

Negotiations on Dutch inlet enter final stage

By H. VAN OS
AMSTERDAM, Sept. 22.
Negotiations on the formation of a Dutch cabinet entered its final stage today (the re-formation of the cabinet is the sharing of the Government's responsibilities for the next four years in the Hague). The negotiations are in the final stages of the formation of a Dutch cabinet. The negotiations are in the final stages of the formation of a Dutch cabinet.

Intervention

This new board is expected to be decreed at this week's Cabinet. The measure fits in with the Government's plans to make Spain's economy open and competitive in both financial and marketing circles. However, the state will retain powers to intervene if manufacturers impose excessive price rises, as Madrid's banking industry attempted to do in August.

Big W. German protest planned

By JONATHAN CARR
WITH CONTROVERSY raging in Bonn on the future of the Government's atomic energy programme, preparations are under way for a large demonstration this Saturday near the construction site of a fast breeder nuclear power station.
At least 20,000 demonstrators—and around 10,000 police—are expected to converge on the small town of Karlsruhe, on the Rhine near the Dutch border, and close to the reactor site.

New significance in French Senate poll

By DAVID CURRY
PARIS, Sept. 22.
PARTIAL ELECTIONS of the French Upper House of Parliament—the Senate—takes place on Sunday. Normally, such elections in which the votes are cast by a body of "grand electors" in which local authorities have a strong voice rarely have a political significance.

Other Russian dissident seized

By N. SATTAR
MOSCOW, Sept. 22.
NST AXELROD, a prominent active in the Jewish movement and one of the few dissidents working for U.S. intelligence, was arrested in Moscow on Monday. Earlier this year, Mr. Axelrod was arrested near his home in Moscow, and his wife was arrested in New York.

Spanish railway strike

Spanish railway workers went on a 24-hour strike today in support of wage demands, Reuters reports from Madrid. The strike was in support of wage demands, Reuters reports from Madrid.

Communications study group

By MR. SEAN MACBRIE
PARIS, Sept. 22.
MR. SEAN MACBRIE, the former Irish Foreign Minister, is to head a 16-member group to investigate world communications problems. The group is expected to make a preliminary report to the UNESCO general conference in 1978, and submit a full report in 1979.

There's more to Bosch than spark plugs, power tools and freezers...

In 1896, Robert Bosch's workshops produced their 1000th magneto. To celebrate this event, he took his 16 workers on a trip to Remstal in Swabia, an area well known for its wines. These days, with more than 100,000 people working for the Bosch Group, such celebrations are rather more difficult to organise!

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- Aerial systems amplifiers
- Air filters
- Aspirated tools
- Auto cookers
- All-purpose electric stoves
- Alternators
- Auto-electric test bench equipment
- Automatic coffee and tea makers
- Automatic control systems
- Automatic machinery for assembly lines
- Automatic egg boilers
- Automatic packaging machines
- Automatic washing machines
- Automatic washing, drying, sterilising, filling and sealing machines for bottles, vials, glass tubes etc.
- Automatic air conditioning systems
- Autogly starting systems
- Batteries
- Battery chargers
- Battery testers
- Blood bank beaters
- Blood pressure meters
- Blowers, fans, ventilators
- Brake and control valves
- Brake cylinders
- Brake lights
- Brake test stands
- Building tools
- Cables
- Cable connectors
- Cable drums, cable reels
- Car batteries
- Carbide bearing bushes
- Carbon brushes
- Car headlamps
- Car heaters
- Car radios and gearsets
- Car screen washers
- Car side lights
- Carving machines
- Chest freezers
- Cine projectors, 15, 35 & 70 mm
- Collating machines
- Colour film scanners
- Generators
- Glow plugs
- Grab buckets
- Grey iron chip castings
- Grey iron sand castings
- Condensers
- Construction tools
- Continuous bag machines
- Continuous confectionery production plant
- Continuous tools
- Control devices
- Control equipment for resistance welding machines
- Convecter heaters
- Cookers
- Cooker hoods
- Craftsman tools for home & handymen
- Crimp connector sets
- Data transmitting & receiving equipment
- D.C. generators & regulators
- Deep cleaning presses for aluminium foil
- Digital modules for machine tools
- Diodes
- Diode testers
- Discharge air purifying plant
- Dishwashers
- Drills
- Eddy current brakes
- Electric circuits
- Electric cookers
- Electric mixers
- Electric motor test equipment
- Electric power tools
- Electric switches
- Electric vehicle motors
- Electro-cardiographs and cardioscopes
- Electro-hydraulic regulating systems
- Electro-magnetic single plate clutches
- Electronic flashlights
- Electronic proximity switches
- Electro-sensitive recording paper
- Emergency honing systems
- Emergency power supply systems
- Exhaust emission control probe lambda probe
- Exhaust testers and CO meters
- Fanfare horns
- Fan heaters
- Fill and seal machines
- Film and adhesive pressing machines
- Film scanners
- Fitted kitchens
- Flame start units
- Flasher lights
- Flour plastic cutters
- Form heat sealers
- Form-fill-seal machines
- Freezers
- Frequency converters
- Fresh fruit-juice centrifuges
- Fuel filters
- Fuse boxes
- Garage door mechanisms
- Generators
- Glow plugs
- Grab buckets
- Grey iron chip castings
- Grey iron sand castings
- Hazard warning lights
- Headlamp adjusters
- Headlamp wipers
- High frequency electric power tools
- Hotplates
- Hydraulic auxiliary steering pumps
- Hydraulic components & systems
- Ignition coils
- Ignition distributors
- Ignition systems
- Impulse control systems
- Integrated circuit boards
- Interference suppressors
- Labeling machines
- Light range regulators
- L-Jetronic injection systems
- Loudspeakers
- Magnetic field switches
- Magnetic parts transfer units
- Magneto ignition systems
- Maintenance units
- Metering pumps
- Microwave ovens
- Miniature hydraulic systems
- Miniature relays
- Mini-kitchens
- Mixers & synchronisers
- Sound systems
- Monitors
- Moulded plastic components
- Moulded plastic containers
- Numeric control units
- Oil filters
- Overflow valves
- Overtravel switches
- Oxide magnets
- Oil filters
- Overflow valves
- Overtravel switches
- Oxide magnets
- Packaging machines
- P.A. Systems for coaches & omnibuses
- Permanent magnets
- Petrol & diesel fuel injection systems
- Photoelectric follower control devices
- Pneumatic cogs
- Pneumatic tools
- Pneumatic systems & components
- Portable floodlamps
- Potentiometers
- Pressure pumps
- Pressure valves
- Quick-charging booster units
- Quick-charging booster units
- Radio alarm systems
- Radio control units
- Radio receivers
- Radio sets
- Rear fog lamps
- Rear screen wipers
- Recording tape
- Regulators & rear lights
- Regulators
- Relays
- Resistor electro-insulation
- Rotary phase converters
- Rubber-metal joining
- Saws
- Servo brake units
- Servo drives
- Shrink packaging machines
- Sinter-formed parts & bearings
- Spice extractors
- Speed regulators for diesel engines
- Spin dryers
- Starters
- Studio projectors
- 16 & 35 mm movie cameras
- Super 8 movie editors
- Super 8 movie projectors
- Tail lights
- T.V. cameras
- T.V. lights
- T.V. outside broadcast vans
- T.V. start/stop converters
- T.V. studio equipment
- Test equipment for injection systems
- Thermocouple control valves
- Thick-layer circuits
- Transistors
- Transistor labors
- Tumble dryers
- Ultrasonic therapy appliances
- Universal kitchen appliances
- Vibrating conveyors
- Vibrators
- Video-tape systems
- Video-tape recorders
- Warning flashers
- Wiper blades
- Wiper motors
- Workbenches
- Workshop battery chargers
- Wrapping machines

Soon, our experience in the mass-production of precision components and accessories made it possible for us to market the first really commercially-priced refrigerator.

We also produced our own factory equipment and machines. Today, we supply many firms with industrial plant equipment, including programme and sequence controls for machine tools.

We're involved in electronics, too. As early as 1929, Robert Bosch had played an active part in a concern researching into radio and television. A year later, he took up a majority shareholding in the "Ideal Works for Wireless Telephony" - the present-day Blaupunkt factory. And our leading position in the field of car radios, television sets and studio equipment is no coincidence either. Many other divisions within the Bosch-Group have benefited from our expertise in electronics.

For example, Bosch cine cameras (marketed under the name Bauer) use integrated circuits which have earned them the nickname "computerised cine cameras". Other examples include Bosch electronically controlled petrol injection systems, miniature hearing aids, and electronically governed hydraulic power and control units.

We are among the few manufacturing companies equally at home in the widely different fields of electronics and precision engineering.

Bosch employ 5,700 scientists and technicians in research and development alone. We currently hold 10,000 patents throughout the world, with a further 15,000 pending.

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Robert Bosch Limited, Watford, Hertfordshire

One good idea leads to another

Just as a tree develops many branches over the years, so the range of products manufactured by Bosch broadened to include ignition systems, DC generators starter motors, power tools...



Get yours off the...

Lance's departure: an unedifying story

BY JUREK MARTIN, U.S. EDITOR

THE BERT LANCE affair has produced many more losers than winners.

It has cast a pall over the Presidency, raised serious questions about the fairness of both the Press and the Quasi-judicial proceedings of the Congress, all in the pursuit of what remain some pretty small-time pecuniary gains which may not have been committed by a rural Georgian banker.

The affair has even caused some to wonder whether the U.S. has lost all sense of perspective in its seemingly endless exorcism of real and imagined devils.

Few people have come out of the affair with much credit, and it is not clear that Mr. Lance has behaved worse than some of his political detractors.

Mr. Lance still appears to be a man with a future: he will receive a hero's welcome on his return to Georgia, where he could possibly stand again for election as governor, or for the U.S. Senate. He leaves Washington with the President's ringing endorsement.

However, most important is the extent to which Mr. Carter's presidency has been impaired and the length of time he will take to get over it.

When all the variables are stripped away, the real reason for Mr. Lance's departure comes to political necessity. As Mr. James Reston put it in the New York Times last week, the President was in a battle he could not afford to lose. Too many powerful people, particu-

larly in Congress, had called for Mr. Lance to go for him to be allowed to stay. It would have been politically embarrassing for a man like Senator Robert Byrd, the majority leader, to withdraw his call for Mr. Lance's resignation. And Mr. Carter needs Senator Byrd more badly at the moment than he does Bert Lance, with critical battle in Congress pending on the Panama Canal, the energy package, and welfare and tax reform proposals.

Comfortable

Mr. Lance's departure leaves a void on personal and policy grounds. Mr. Carter clearly felt comfortable with Mr. Lance, a man of different qualities but of the same age and background, a great practical reinforcement of the President's own more innovative ideas and Mr. Carter's economic conservatism. Finding a new budget director will be far easier than replacing a friend.

Mr. Lance of course was much more than a conservative budget director with a goal to balance the income and expenditure by the 1981 fiscal year. In practice, he could not afford to lose. Too many powerful people, particu-

larly in Congress, had called for Mr. Lance to go for him to be allowed to stay. It would have been politically embarrassing for a man like Senator Robert Byrd, the majority leader, to withdraw his call for Mr. Lance's resignation. And Mr. Carter needs Senator Byrd more badly at the moment than he does Bert Lance, with critical battle in Congress pending on the Panama Canal, the energy package, and welfare and tax reform proposals.

Behaviour

Mr. Lance, after all, was forced out not for anything he did in federal government but mostly for his behaviour as a rural banker in an underpopulated part of northwestern Georgia. Skeletal of that kind probably exist in any number of businessmen's closets, just as they do, as both Mr. Jody Powell, the President's Press Secretary, and Mrs. Margaret Thatcher, the British Tory leader, have pointed out, in the expense accounts and private lives of many journalists.

But the mere fact that the national debate has descended to such a nit-picking level can only distress a man like President Carter, not least because he has found himself participating at

precisely that level. He came to Washington promising higher standards and found himself dealing as all his predecessors had. Nevertheless, he must have learned something in taking all the responsibility for the Lance affair. Mr. Carter might have been Aino more than living up to former President Harry Truman's dictum "the buck stops here." He might well have had in mind that when the late President John Kennedy assumed similar personal responsibility for the disastrous Bay of Pies invasion of Cuba, his standing in the nation shot upwards.

Jimmy Carter would like to be as lucky as he, and it is an important caveat to the moral allow him to be. To rise out of the merrass of Bert Lance's problems will be a severe test of Mr. Carter's leadership qualities. There must, however, be many people in the U.S. to-day who are uneasy with the inquisition which has led to Mr. Lance's resignation, an inquisition which has sometimes smacked of a vendetta, by political opponents and by the Press.

The New York Times said in

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AMERICAN NEWS

IMF faces tough decision on board seat for Saudis

BY DAVID BELL

WASHINGTON, Sept. 22. THE INTERNATIONAL Monetary Fund (IMF), whose annual meeting gets underway here this week-end, must decide within the next few months whether to give Saudi Arabia the seat on the Fund's board to which it is almost certainly now entitled.

This difficult issue—which involves the status of existing "constituencies" of the size of the board, and, obliquely, the position of Israel inside the IMF—does not have to be resolved at this meeting, but it will undoubtedly be discussed.

The essence of the problem is that under the IMF rules the first and second largest donors to the fund are automatically entitled to seats on the board, if they want them. Next July when formal board elections are held, Saudi Arabia will almost certainly be the second largest contributor to the Fund.

At present only five countries, including Britain, have exclusive seats on the Board. The other members are grouped in carefully balanced "constituencies" each of which has a certain proportion of the Fund's resources and a commensurate number of votes. Britain has the second largest number, but the U.S. is by far the most powerful, with 20 per cent. of the total.

It is not at all clear that the Saudis actually want a greater formal power inside the Fund than they have at present. But if they do—and if they say that they want a seat—the Fund

will have to decide whether to increase the size of its Board by one to a total of 21 executive directors or whether to displace one of the existing directors. Alternatively, it might decide on one of a number of ingenious compromises now being floated.

Earlier this year, Mr. William Duisenberg, the Dutch Finance Minister, let it be known that Holland deeply resented what it should be the start of pressure that it should be the country to give away. He said that as protest the Dutch would reduce by half their contribution to the so-called Witteveen supplementary financing facility.

Although it has never been explicitly stated, there is also some pressure inside the Fund about the status of Israel. It is a member of the Dutch constituency, which also includes Romania and Yugoslavia. There have been some suggestions that some members of the Dutch-led group are uneasy about remaining in the same group as Israel. They might be willing to "desert" Holland and join another constituency.

Under the complicated IMF voting procedure which weighs the strength of members according to their quota contributions, Holland would not be entitled to a seat on the board by itself. It is net at all clear that the Saudis actually want a greater formal power inside the Fund than they have at present.

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U.K. luxury car protest

BY JOHN WYLES

NEW YORK, Sept. 22. THE BRITISH Government is mounting a strong lobbying effort in Washington against a Senate amendment to the Energy Bill which would exclude the sale in the U.S. after 1980 of all Rolls-Royce cars and some British Leyland Jaguar models.

The amendment has been described by Mr. George Lewis, the president of the U.S. subsidiary of Rolls-Royce, as a potentially serious threat to the future of the company, which sells a third of its annual production in the U.S.

Foreign manufacturers of other luxury cars, including Mercedes and Ferrari, are also protesting about the amendment, which would ban the sales in 1980 of all cars which were not achieved a fuel consumption of 16 miles to the gallon.

The amendment, sponsored by Democratic Senator Howard Metzenbaum of Ohio, was endorsed by the Senate Finance Committee this week as an alternative to the administration's proposed tax on "gas guzzler" cars which the committee rejected.

Diplomatic opposition to the ban has been strengthened by a subsequent amendment which would exclude low-output U.S. manufacturers, principally the Checker Cab company. In the British embassy's view, the measure is now flagrantly discriminatory and a clear breach of GATT regulations.

Mr. Cyrus Vance, the U.S. Secretary of State, welcomed the Soviet Foreign Minister, Mr. Andrei Gromyko, who arrived in the U.S. capital last night, to the State Department for talks that could go on until the week-end.

U.S. officials say it will take a miracle to complete a new agreement, known as Salt II, before the old one expires on October 3. There could however be an informal extension of the previous one conducted in 1972.

OVERSEAS NEWS

N-reactor producer settles out of court

By Stewart Fleming

NEW YORK, Sept. 22. WESTINGHOUSE Electric, the U.S. nuclear reactor vendor, has reached a tentative out of court settlement with one of the 27 electric utilities to which the company is slated to deliver 65m. kw. reactors of a new design.

Westinghouse, backed out of the contracts because of a sharp increase in uranium prices, which would have caused it losses of \$2.5bn. had it fulfilled its commitments.

Earlier this year Westinghouse reached out of court settlements with three of the utilities, agreeing to pay them \$5m. in cash and goods and services worth another \$8m. On the basis of this settlement, share analysts have estimated that it could cost Westinghouse \$800m. pre-tax to meet all the utilities' claims.

The latest settlement on the Alabama Power and has arisen from court hearings involving 17 utilities now underway in Richmond, Virginia.

The judge hearing the trial has predicted that all the cases in these hearings will be settled out of court.

Alabama Power was due just over 600,000 pounds of uranium under the original contract, about 1 per cent. of the total amount which involves Virginia Electric Power, which was due 16 per cent. of the total uranium committed.

Details of the out of court settlement have not been released but it has been widely anticipated that the cost to Westinghouse would be similar to the settlements reached earlier in the year.

E. coast gets Alaskan oil shipment

CLEVELAND, Sept. 22.

STANDARD OIL of Ohio, said that the first shipment of crude oil from the Alaskan North Slope and Prudhoe Bay reached the east coast of the U.S. to-day and will be available at the Gulf of Mexico at the end of the month.

A second tanker loaded with North Slope crude is also nearing the refinery. Soho said that its refinery supplies heating oil, petrol and other petroleum products to New England and other Atlantic coast states.

The crude travelled about 7,800 miles, including the 800-mile trip by pipeline from Prudhoe Bay to the port of Valdez. The oil was then carried by tanker via the Panama Canal to the east coast refinery.

Reuter

176 students arrested in Sao Paulo

SAO PAULO, Sept. 22.

MILITARY police arrested 176 students here today in a security operation to prevent anti-government demonstrations.

Reuter

U.S. plan rejected by PLO

BEIRUT, Sept. 22.

PALESTINE Liberation Organisation officials here reported U.S. proposals for a ceasefire in the West Bank and Gaza Strip territories.

A PLO spokesman said that the PLO saw no legitimate reason for the ceasefire proposals, which he said were not acceptable to the West Bank and Gaza Strip.

He added that the U.S. plan to the right to decide if Israel should speak for the Palestine people.

Israeli gun boats shell

BEIRUT, S

FIGHTING in the Mediterranean Sea has been reported by the PLO. The PLO spokesman said that Israeli gun boats were shelling the West Bank and Gaza Strip.

Reuter

Thais take hard line over Laos, Cambodia refugees

BY DAVID HOUSEGO

HONOLULU, Sept. 22. THAI officials here said that their government would not accept any more refugees from Laos and Cambodia. The Thai government has now got the United Nations High Commissioner for Refugees (UNHCR) to differentiate between political refugees and those fleeing because of economic hardship in Laos.

The UNHCR's first category cannot be refused, but the UN also has some refugees who have been left in Thailand. The UNHCR is also making the second category of refugees who are being turned back.

The Thai government has made clear that it wants to halt the influx of refugees from Laos and Cambodia. The Thai government has now got the United Nations High Commissioner for Refugees (UNHCR) to differentiate between political refugees and those fleeing because of economic hardship in Laos.

Reuter

New hostilities in Philippines

By Miguel Suarez

MANILA, Sept. 22. AT LEAST 60 people, including eight civilians, were killed, said a town was burned yesterday in a new burst of hostilities between Government forces and Muslim rebels in the southern Philippines, reports reaching Manila today.

Heavy fighting was reported in three southern provinces, with casualties on both sides described as heavy. The new outbreak of fighting in the Mindanao area, 500 miles south of Manila, came as the Government forces mount a combined ground, air and naval assault on rebel elements suspected of violating the nine-month-old cease-fire.

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Reuter

Rhodesia expels American nun

SALISBURY, Sept. 22.

SISTER Janice McLaughlin, a U.S. Catholic nun who faced charges under Rhodesian security laws, was deported to-day after being declared a prohibited immigrant.

Sister Janice, 35, had been in custody since she was arrested on August 31. She was Press secretary of the Catholic Commission for Peace and Justice in Rhodesia, which has accused Rhodesian troops of brutality against black civilians. She arrived here from Kenya in May.

Reuter

More Ugandan plot charges

By John Wrenn

NAIROBI, Sept. 22. FOUR MORE Ugandan army and air force officers are to be brought before a military tribunal soon on charges of plotting to overthrow the Amin regime earlier this year. The men are alleged to have smuggled arms into Uganda.

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Strains between Fraser, unions grow

BY KENNETH RANDALL IN CANBERRA

THE EASY victory of the Labor government in last week-end's elections for the South Australian parliament has proved unusually difficult to interpret in terms of national politics.

Mr. Fraser, the South Australian premier, campaigned heavily on the obvious national issues—unemployment, inflation and continuing economic recession. But Mr. Dunstan is now established as one of the outstanding public figures in Australia. His issue was raised effectively against him and there is little doubt that his personal standing was the most telling influence in the campaign.

Reuter

Gromyko and Vance reopen SALT talks

WASHINGTON, Sept. 22.

THE UNITED STATES and the Soviet Union to-day reopened stalled strategic arms limitation talks (SALT) with virtually no hope of breaking the deadlock before the current agreement expires in 11 days.

Mr. Cyrus Vance, the U.S. Secretary of State, welcomed the Soviet Foreign Minister, Mr. Andrei Gromyko, who arrived in the U.S. capital last night, to the State Department for talks that could go on until the week-end.

U.S. officials say it will take a miracle to complete a new agreement, known as Salt II, before the old one expires on October 3. There could however be an informal extension of the previous one conducted in 1972.

Reuter

Venezuelan armed group holds town

By Joseph Mann

CARACAS, Sept. 22. A GROUP of armed men, presumed to be guerrillas, took control of a small town some 230 miles south-east of the Venezuelan capital earlier this week and distributed arms according to a report published here to-day.

The Caracas daily El Universal said that an armed band held the town of Santa Ines for five hours on Tuesday, but reported no injuries or deaths.

Guerrilla activity in Venezuela generally subsided since the violent days of the 1960s, but has been increasing in recent months.

Reuter

Blumenthal expects pick-up in economy

WASHINGTON, Sept. 22.

MR. MICHAEL BLUMENTHAL, the U.S. Treasury Secretary, said that the U.S. economy has been slowing down, but he expected it to pick up in the fourth quarter of this year.

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SAO PAULO, Sept. 22.

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Voluntary export restraint proposed on Japan steel

CHARLES SMITH
 Ministry of International Trade and Industry (MITI) is under pressure from the steel industry to propose a voluntary export restraint with the U.S. to take action, at least on the grounds that the issue can and must be dealt with in the context of the multilateral trade talks. U.S. Bureau Director said that the U.S. would take the lead in the Geneva talks if it to restrain Japan in world trade of their most decisive MITI accordingly was to press steel restraint on Washington for the even though it appears urgency of the

From the fact that the U.S. has filed a dumping case against Japan's big six steel makers, alleging that they are selling in the U.S. at "reasonable" prices, the case will go against them if they provide full their actual production costs which they are unwilling to do. Voluntary restraint is being proposed by the industry as, among other things, a way of buying off the dumping charges.

If MITI sticks to its present "wait and see" posture on the steel problem the big six will start individual restraint on their exports to the U.S., probably cutting back shipments by around 10 per cent from the average monthly levels so far this year.

They may follow this by applying for MITI approval for the formation of an export cartel which would formalise the restraint arrangements on a voluntary basis.

However, a cartel of this kind would not include the smaller Japanese steel makers who are currently increasing their shipments to the U.S. much faster than the big six integrated companies.

This explains why the integrated companies regard the involvement of the Japanese and U.S. governments as essential in their plans for effectively slowing down steel exports.

The big six steelmakers are aware that the Carter Admini-

TOKYO, Sept. 22.
 stration dislikes, or claims to dislike, steel export restraints. It is felt in the industry, however, that the crisis in the world of steel is now so serious that trade will have to be "organised" sooner or later.

The steel makers clearly prefer the idea of bilateral voluntary restraints to the multilateral price-oriented approach to the steel problem which Mr. Robert Strauss, President Carter's Special Trade Negotiator, has hinted at. They are confident that a U.S.-Japan agreement on steel would have to be followed fairly shortly by a similar agreement between the U.S. and Europe.

It is noted in Tokyo that European (that is EEC) steel exports to the U.S. are running about 150 per cent above last year's level on an annual basis thanks to a big push by French and West German steel exporters from May onwards. The Japanese say European exporters are undercutting them by between 5 and 10 per cent to the U.S. market.

They feel that dumping charges against Europeans of the kind already levelled against Japan could only be a matter of time.

EEC and U.S. agree on formula for tariff-cutting

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT
BRUSSELS, Sept. 22.
 U.S. AND EEC negotiators reached tentative agreement today on a tariff-cutting formula for the forthcoming multilateral trade-liberalising negotiations to GATT.

The multilateral trade-liberalising negotiations have long been stalled by instability in the currency markets and by protectionist pressures in deficit countries. Today's agreement between the two key participants in the negotiations may help get the negotiations going again.

The main purpose of the agreement is to speed preparatory work on important issues in the negotiations, such as safeguard clauses and elimination of non-tariff barriers to trade.

The agreement is described as "no more than a working hypothesis," since neither side has abandoned its own original tariff-cutting proposal.

The formula agreed is based on a complex algebraic proposal by Switzerland. It calls for average cuts of 44 per cent, with proportionally higher reductions in the highest tariff rates, and a somewhat higher cut between the American and European proposals.

The EEC's formula calls for a

W. German surplus hits DM.2.5bn. in August

By Jonathan Carr
BONN, Sept. 22.
 WEST Germany achieved a trade surplus in August of DM2.5bn — well above the DM1.8bn July surplus and more than double the DM1.2bn. figure of August last year.

Figures from the Federal Statistical Office released today show that the cumulative trade surplus for the first eight months is DM22.5bn against DM20bn in the same period of 1976.

But while the trade surplus continues to rise, the current account surplus for the first eight months stands at DM2bn — against DM2.3bn in the same period of 1976.

In August the current account showed a deficit of DM1.4bn, against a DM1.6bn deficit in August 1976. But the July figure which so far showed a deficit of DM1.3bn has now been heavily revised to DM2bn.

The point is of some political importance, since the Bonn Government argues it is the current account figures which give the truest indication of West Germany's position against its trading partners.

Even while the new trade surplus figures were being released, the leader of the country's biggest union, the IG Metall, called for further action by the Government to stimulate the economy.

Herr Eugen Loderer urged the Congress of its union, IG Metall, that there be a further extension of public expenditure, a wide-ranging correction of tax incentives, more state support for technology, but protection for those hit by technological change.

Herr Loderer accused management of using under-employment as a means of putting pressure on the Government. He claimed that the Bundesbank had gained limited success on the price front at the expense of higher unemployment.

South Africa foreign sales well ahead

By JOHN CORRIE, JOHANNESBURG, Sept. 22.
 EEC restrictions on exports to the worldwide industry, the South African Iron and Steel Corporation (ISCOR) is expected to reach a record export year in 1977, with sales valued to reach 1.5m tons, a 10 per cent increase on 1976. This should mean £250m, and £250m, an exchange rate of 1.5 to the pound, in the year to June 1976 totalled only 382,100 tons and as recently as 1975 South Africa was a large net importer of steel—1.2m tons were bought abroad in the year to June, 1975.

The United States has been a major target of ISCOR's export drive. Significant orders have come from the West coast and Gulf regions, which have been dominated by Japanese sellers since the mid-60s.

Probe into dumping by BSC likely

By Stewart Fleming
NEW YORK, Sept. 22.
 The Chairman of the House Ways and Means Sub-Committee on Trade, Mr. Charles Vanik, is preparing to ask the U.S. Treasury to investigate whether the British Steel Corporation is dumping steel on the west coast and the Gulf coast of the United States.

A member of the committee staff, Mr. Bill Vaughan said that the letter would probably be signed and sent to-morrow.

The sub-committee has been holding hearings into steel imports this week and Mr. Vaughan said that in the course of the hearings Representative Vanik had asked Government witnesses if an individual could file a dumping claim in the U.S. under U.S. trade laws to sell foreign imports at prices below production costs or below domestic home market prices.

Mr. Vaughan said that Mr. Vanik had asked the question because of reports he had received that the British Steel Corporation was "undercutting Japanese steel manufacturers in these markets."

U.K. clothing exports at record

BY RHYS DAVID
 BRITAIN'S clothing industry is now hoping to reach a target of more than £900m in exports for 1977, almost 50 per cent higher than the 1976 figure of just over £600m.

Clothing trade figures issued yesterday by the Clothing Export Council show that in August the industry shipped a record month, exporting goods worth £58m, bringing the total for the first eight months of the year to nearly £525m.

The industry has been seeking to boost exports in a bid to cut back on its very large trade deficit as a result of the massive increase in imports of low cost clothing into the U.K. over recent years.

The clothing industry's total deficit last year amounted to £270m, and has increased every year since 1976. There have been some indications, however, that following tighter controls over imports into the EEC under the

anti-apartheid code defiance

FRANKFURT, Sept. 21.
 GERMAN industrial enterprises operating subsidiaries in South Africa to disregard that country's racial laws, the newspaper said.

"Experience in the history of the policy of economic sanctions has proved that measures as demanded in that (European Community) declaration are not suited for achieving any political goals," Frankfurter Rundschau quoted the association's letter as saying.

UPI

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UPI

Government plan on Mackie hits legal snag

By Lorne Baring
 THE Government cannot legally withdraw all export financing services from the Belfast engineering company James Mackie and Sons, which is resisting this threat in its dispute over a pay deal considered to breach pay policy.

The Export Credits Guarantee Department, a Government-backed but independent body, said yesterday that it was obliged to provide backing for any contract which met the requirements under Section 1 of the Export Guarantees Act of 1975.

However, two Mackie contracts now being considered by ECGD one for Vietnam and the other for Tanzania, fall under Section 2, which deals with high risk countries. Under this section ECGD backing is granted at the discretion of the Secretary of State.

The section states that the Secretary of State may, in the national interest, grant the guarantee of exports for the encouragement of trade or for purposes of assistance.

Although the facts have not disclosed details of its export activities, it is certain that much of its textile machinery is sold to developing nations, many of which are included in about 20 nations which generally fall under Section 2.

A further problem for the company is created by the high capital value of its goods and the consequent need for longer term cover in most cases.

Should Mackie decide to fight the Government on the pay issue it would therefore have to rely heavily on exports for which it could get Section 1 cover. There is no Section 2 alternative readily available from the commercial insurance market.

Although British exporters are concerned at the involvement of ECGD in a political row and its possible damage to exports, some accept the Government line that curbing wage inflation is crucial to the competitiveness of their goods abroad.

ECGD itself is aware of possible damage to its generally good relations with industry as a whole, but believes that any blame for withholding its services would be placed at the door of Government itself.

But critics of the Government action point out that many of Britain's largest contracts, such as large industrial plants costing £100m, or more, are concluded under Section 2 due to the high cost and long credit terms.

Perhaps more important, contracts under Section 2 are often in countries, such as Vietnam, where exporters are anxious to gain a foothold and expand their longer-term sales.

His way for demonstration

INTED DEALERS

NEWCASTLE: 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

Government plan on Mackie hits legal snag

By Lorne Baring

THE Government cannot legally withdraw all export financing services from the Belfast engineering company James Mackie and Sons, which is resisting this threat in its dispute over a pay deal considered to breach pay policy.

The Export Credits Guarantee Department, a Government-backed but independent body, said yesterday that it was obliged to provide backing for any contract which met the requirements under Section 1 of the Export Guarantees Act of 1975.

However, two Mackie contracts now being considered by ECGD one for Vietnam and the other for Tanzania, fall under Section 2, which deals with high risk countries. Under this section ECGD backing is granted at the discretion of the Secretary of State.

The section states that the Secretary of State may, in the national interest, grant the guarantee of exports for the encouragement of trade or for purposes of assistance.

Although the facts have not disclosed details of its export activities, it is certain that much of its textile machinery is sold to developing nations, many of which are included in about 20 nations which generally fall under Section 2.

A further problem for the company is created by the high capital value of its goods and the consequent need for longer term cover in most cases.

Should Mackie decide to fight the Government on the pay issue it would therefore have to rely heavily on exports for which it could get Section 1 cover. There is no Section 2 alternative readily available from the commercial insurance market.

Although British exporters are concerned at the involvement of ECGD in a political row and its possible damage to exports, some accept the Government line that curbing wage inflation is crucial to the competitiveness of their goods abroad.

ECGD itself is aware of possible damage to its generally good relations with industry as a whole, but believes that any blame for withholding its services would be placed at the door of Government itself.

But critics of the Government action point out that many of Britain's largest contracts, such as large industrial plants costing £100m, or more, are concluded under Section 2 due to the high cost and long credit terms.

Perhaps more important, contracts under Section 2 are often in countries, such as Vietnam, where exporters are anxious to gain a foothold and expand their longer-term sales.

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HOME NEWS

Gilbert attacks Labour Left over suggested defence cuts

BY REGINALD DALE AND MICHAEL DONNE

A MAJOR split in the Labour Party over defence policies was confirmed yesterday with the publication of the report of the party's Defence Study Group.

The report strongly influenced by the party's Left-wing, concludes that further cuts in defence spending of about £1.5bn. by 1983-84, in addition to cuts already announced, are a feasible proposition which should be seriously considered.

Dr. John Gilbert, Minister of State, Defence, immediately denounced the scale of the cuts as "highly irresponsible," and said they would never be approved by the present Government.

Cuts, as detailed in the report, would have a "catastrophic effect" on Britain's defence capability, the morale of the Armed Forces, Nato, and Britain's standing in the Alliance, he added.

Among the areas which the Study Group considers ripe for further cuts are the Polaris missile submarine force, which it suggests could be eliminated; cutting down the Rhine Army from around 55,000 to 30,000 personnel; abandoning the Air Defence Variant of the Tornado

Every Labour MP including Mr. Fred Mulley, defence Minister, had fought the election on this formula, he claimed. The report says that Britain's defence spending last year was 5.2 per cent. of Gross Domestic Product at market prices, against a weighted average figure of 3.4 per cent. for the "main European Allies."

The minority view, however, was that it was quite wrong to determine defence spending on the basis of a quite arbitrary mathematical formula based on GNP percentages, according to Dr. Gilbert.

The aim should, rather, be to assess the nature of the threat and the resources other Allies were making available, then see what further contribution was necessary from the U.K., he said. The issue will not, however, be discussed at Party conferences until next year, Mr. Mikardo stated.

The majority report, which took three years to produce, comes only a week after severe criticism by NATO of earlier defence cuts in the U.K., which NATO believes to be weakening the Alliance at a time of a steady build-up of arms by the Soviet Union and Warsaw Pact countries.

It had been official Party policy since 1972 that British defence spending as a percentage of Gross National Product should be reduced to the average percentage of the country's main European allies, Mr. Mikardo maintained.



DR. JOHN GILBERT - The cuts would be highly irresponsible.

instead of facing heavy redundancies, could turn to alternative, more "socially useful" work.

This includes, in the Study Group's view, a wide range of engineering ventures using the skills developed in defence activities, including the adaptation of aero-engines for civil use, production of power packs and submarines for exploring the ocean bed, battery cars, and hybrid road-trail vehicles.

Shipbuilding

In shipbuilding, naval yards could be turned over to marine agriculture and mining, oil drilling, marine-based energy exploitation and new forms of marine transport.

The Study Group, however, does not indicate how these alternatives would be financed, especially in the initial stages before commercial markets could be developed.

The Group is critical of the help it received from the Ministry of Defence to preparing its case. Pointing out that its requests for information were frequently rejected, it says this did not only waste the Group's time, "but it illustrates that those responsible for a sector which currently consumes almost 11 per cent. of the public purse are operating in an atmosphere of distrust and secrecy."

This, says the Study Group, "offers no guarantee that public responsibility for defence activity is not being evaded."

Sense About Defence, Report of the Labour Party Defence Study Group, Quarter Books, 95p.

Two-party system attacked

By Rupert Cornwell, Lobby Staff

THE LIBERALS yesterday published a pamphlet enforcing their long-standing argument that an overhaul of the electoral system and a stronger Parliament are vital if Government is to be properly reformed and the country's decline halted.

The villain of the piece, says the booklet, issued a few days before the party's annual conference in Brighton, is the two-party system.

"Society has been divided further... our economy is disrupted, our taxation system reflects the chaos of years of ill-considered and scarcely-debated partisan additions. The constant emphasis on confrontation has done much to hasten Britain's decline."

The rebuilding of the constitution Liberals would like embraces a change to proportional representation, devolution and decentralisation, a Bill of Rights to protect the individual, Parliamentary reform and increased public participation.

At the same time, the party has replied to the Home Office's Green Paper of last summer suggesting possible reforms in the country's unwieldy national laws.

Britain spends £33,000 a minute on health and social services

BY STUART ALEXANDER

BRITAIN is spending about £33,000 a minute on health and social services—more than £8 a week for every man, woman and child in England.

Mr. David Ennis, Secretary of State for Social Services, said in a foreword to the 1978 annual report of the Department of Health and Social Services: "That is the cost of caring; the cost of trying to see that everybody has the health care, the mental and physical handicapped, and the elderly, and increased support for families."

Spending in the last 20 years had doubled in real terms. He predicted that the services would continue to grow, though at a slower rate.

"This means we must renew our efforts to get, and to give, value for money. People have the right to be assured that the money they pay in taxes and contributions is used to the best advantage."

New priorities on spending had led in favour shares of Government money in the less well off health regions, better treatment in the " Cinderella " services such as those for the mentally ill, the mentally and physically handicapped, and the elderly, and increased support for families.

The Good Neighbour campaign was to be stepped up. Economies included a 5 per cent. cut in health authorities' management costs from the level in March last year and a reduction in staff of up to 10 per cent. in some parts of the department's headquarters.

The number of in-patients in National Health Service hospitals last year was a record 5,200. There were a record 451,000 outpatient attendances. The number of people on waiting lists had fallen from a peak of 807,000 in December last year to 586,000 in March.

The report noted that prosecutions for social security fraud rose nearly 25 per cent. last year to 19,077. The conviction rate was 98 per cent.

Department of Health and Social Security, Annual Report 1976-77, £1.40.

Building supplies plan opposed

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

LABOUR PARTY proposals for nationalising part of the building materials industry has met with outright opposition from the material producers and suppliers.

The National Federation of Builders and Plumbers' Merchants said yesterday that its major civil engineering contractors were "economic lunacy."

The formation of a Building Materials Corporation, proposed in the policy document, would create a body with monopolistic power in excess of anything presently in existence. The corporation would most likely become "a centre of bureaucratic insensitivity and delay."

The merchants are also unhappy about the document's call for "immediate and substantial increases in public spending on construction."

The federation released figures yesterday showing that material sales dropped by 5 per cent. in July compared with a year earlier. In the 12 months ending in July, sales were just over 6 per cent. lower than in the previous year.

It is true that the Commission has previously been criticised for taking its time over similar requests for interim protection. A case in point came two years ago when National Carbuolising claimed it was being squeezed out of business by the National Coal Board's pricing policy and had to close its "two coking plants."

This time, there is no question of closing a business immediately. Sarabex has no difficulty in dealing in other than the main currencies. Its position may have become more difficult as a result of a stiffening of the banks' attitude following the complaint.

The policy against which the complaint is directed may present a suitable case for investigation. But it can hardly be claimed that Sarabex's difficulties restrict EEC trade or amount to discrimination against other EEC nationals.

Sarabex is a limited company registered in the U.K. Three of the four directors are nationals of the Lebanon, Qatar and Saudi Arabia, while the fourth is not shown to have any personal or operational basis in another EEC country. Its customers appear to be mainly in the Middle East.

Thus neither the company's ownership nor the geographical orientation of its operations suggest that trade between EEC members would be adversely affected unless their business is allowed to expand immediately. The company has no standing under those EEC Treaty rules which aim at providing all EEC nationals with an equal opportunity for the establishment of a business in any EEC country.

Though Sarabex's case appears weak as far as its request for an interim measure of protection is concerned, it may be strong enough to provide the Commission with the opportunity to review the restrictive aspects of the self-regulation of London foreign exchange and money brokers.

The brokers' association has effective regulatory powers because in July, 1975 the Bank of England advised authorised banks not to use—fr dealing in the main currencies—services of a foreign exchange and currency broker operating from U.K. who is not an association member.

The essence of the complaint is that the association abuses this privileged position by deciding quite arbitrarily about admissions in a way which practically excludes the possibility of a new entry into the closed shop arrangement between it and U.K. banks.

Sarabex's most serious allegation is that the association is ready to accept members only on the basis of satisfactory business experience of U.K. banks, who may not be able to gain such experience as they are not supposed to trade in main currencies with brokers who are not members.

The Commission seems to take the view that the London arrangement does affect trade between member states because it constrains dealing in EEC currencies.

Officials point out that the present arrangement provides exclusivity to 15 banking firms who keep the broking commissions well above rates usual in other member states.

Sarabex, they say, does not want to become a member of this cartel. It wants to retain the freedom to offer its broking services at lower rates of commission. The Commission seems to view this as a "deserving" cause.

Consequently, the Commission will consider the complaint under Article 85 of the Treaty from the impact of rules of Rome, prohibiting restrictive agreements, and possibly under Article 86 prohibiting abuse of dominant market power.

Its decision, or the request for an interim measure of protection, interest may well become a question, as soon as it reaches the European Court.

Forties nears peak output

By Ray Dafter, Energy Correspondent

BRITISH PETROLEUM expects to reach its target production from the big Furties Field by the end of this year. Output, running at over 400,000 barrels a day, should rise to nearer 500,000 b/d within the next three months.

There was no indication from British Petroleum or the Department of Energy yesterday that the Furties Field will be upgraded further.

There has been speculation that the recoverable reserves of Furties will shortly be increased from the existing 18bn. to nearer 20bn. Some reports have suggested the daily production rate will be raised.

While it is accepted that Furties production is one of the most attractive and profitable fields in the North Sea, it seems that BP is anxious to gain more experience of the reservoir characteristics before re-evaluating its estimates.

Meanwhile, BP is proceeding with the development of its smaller Buchan Field, northwest of Furties. The Department of Energy is expected to give formal production approval next month or early in 1978.

Buchan is expected to cost \$180m. (£103m.) to \$200m. (£115m.) to develop. North Sea Oil Review Page 2

IN BRIEF

Windscale 'a blight on industry'

A new spent-fuel reprocessing plant at Windscale would not be a vital source of employment and might discourage other industries from moving to the area, the public inquiry at Whitehaven, was told yesterday by Prof. Graham Ashworth, head of the Department of Environmental Studies, at the University of Salford.

Grants threat

The well-being of local communities will be threatened if the Department of Education and Science continues with its proposals for the system of capital grants to community projects, says Mrs. Sara Morrison, chairman of the National Council of Social Service. In a letter to Mrs. Shirley Williams, Education Secretary.

Shoe sales up

Sales by British shoe manufacturers were up 1 per cent. in the three months to the end of June from those for January to June, according to seasonally-adjusted figures. Net new orders were 24 per cent. lower than in the first three months.

Sunday bank

Sunday banking reaches Glasgow with the opening next month of a Co-operative Handbank in its Morrison Street hypermarket.

Lever welcomed

The appointment of Mr. Harold Lever, former chairman of the Public Accounts Committee, to study the problems of small businesses was welcomed yesterday by the Association of Independent Businesses.

Maze protest

Ulster's top-security Maze Prison, featured on Thames TV last night, is attacked by Mr. Harry Northern, chairman of the Northern Unionist leader. He said: "People are being trained behind the wire by terrorist experts in readiness for when they come out."

Labour delay

Islington North Labour Party, under threat of disbandment by Labour's National Executive Committee, deferred a move to expel one of its members, Cllr. Mark Van de Weyer, until the NEC completes its inquiry into allegations of vote rigging and other malpractices.

Slow rise in capital spending by industry

BY MICHAEL BLANDEN

A RISE IN industry's capital spending during the second quarter of the year is confirmed by the latest figures published by the Department of Industry. But the recovery remains much slower than has been indicated by surveys of investment plans.

At the same time, the new figures show that the increase in the level of manufacturing stocks in the same period was even greater than previously indicated.

The signs are, however, that with most of the rise coming in stocks of finished goods, it probably reflected an involuntary increase resulting from the low level of domestic demand.

The capital expenditure figures are little changed from estimates published last month. Engineering, shipbuilding and metal goods were little changed. But there were sharp falls of 10.7 per cent. in metal goods, 10.2 per cent. in manufacturing and 10.1 per cent. in manufacturing and vehicles.

The stock figures show a further rise of £176m. adjusted, at 1970 price level of stocks held by curers, wholesalers in the second quarter. The rise of about £128m. in the first quarter, however, was significantly more. The preliminary estimate of the £128m. increase, which is greater than the £128m. accounted for by this where manufacturers' stockholdings rose by £26m. in the food, drink and tobacco sector, up by 17 per cent., and first quarter. The change brought the ratio between industry to 107.2, a figure, which also rose seasonally adjusted, at 1970 prices. This was 2 per cent. above the level in the first quarter of the year.

However, this represents only a modest recovery and falls well short of the 6 per cent. to 10 per cent. improvement for the current year indicated by the last official survey of intentions in May.

In its quarterly bulletin last week the Bank of England drew attention to the poor outlook for demand and the doubts which this cast on expectations of a strong investment improvement. Compared with the first quarter, the main increases in the volume of expenditure were in the food, drink and tobacco sector, up by 17 per cent., and in the chemicals industry, with a rise of 10 per cent.

Engineering, shipbuilding and metal goods were little changed. But there were sharp falls of 10.7 per cent. in metal goods, 10.2 per cent. in manufacturing and 10.1 per cent. in manufacturing and vehicles. The stock figures show a further rise of £176m. adjusted, at 1970 price level of stocks held by curers, wholesalers in the second quarter. The rise of about £128m. in the first quarter, however, was significantly more. The preliminary estimate of the £128m. increase, which is greater than the £128m. accounted for by this where manufacturers' stockholdings rose by £26m. in the food, drink and tobacco sector, up by 17 per cent., and first quarter. The change brought the ratio between industry to 107.2, a figure, which also rose seasonally adjusted, at 1970 prices. This was 2 per cent. above the level in the first quarter of the year.

On the other side, the performance of the motor industry is also improving. August output, at 226,000 units, was 26 per cent. higher than the same month last year. There was a slight improvement in when production, at 78,889 units, was 19 per cent. above the level last year.

With Leyland, Ford, Vauxhall and Chrysler all involved in critical pay talks, the industry was 19 per cent. above the level last year.

Department of Industry offers companies aid

BY JAMES McDONALD

THE DEPARTMENT OF Industry offers aid of £23,293 to Aquasol for more than one area of £23,293 to Costa-Brothers, which received first payments between April 1 and June 30. Trade and Industry figures published to-day show the number of offers of £10,000 or more made since July 31, 1976, under Section 7 of the Industry Act, which covers regional selective assistance offers.

A first payment to the companies concerned was made between April 1 and June 30. The figures show that the total paid in regional selective assistance during the period was £40.2m., with assistance committed amounting to £11.1m. In the Scottish area £1.4m. of assistance was given to John Walker and Sons, the distillers, and £800,000 to Polaroid (U.K.).

In the Northern region Blackett Hutton and Co. will receive £14,500 in Scotland, North British Steel Group will be given £91,050 in aid and Glenfield and Kennedy £25,950. Under the machine tool industry scheme Charles Churchill in the Northern region will receive £776,000, and in the South-West Plessey is offered £843,000.

Under the paper and board industry scheme, Bowater-Scott in the North-East will receive £63,780 and Thames Board Mills in the Eastern sector will receive £124,892.

The clothing industry scheme

THE INTERNATIONAL Herald Tribune is to raise its cover price by 5p to 20p, on October 1. Announcing the increase, Mr. Alain Lecor, U.K. circulation manager, said the price of the newspaper had remained steady for more than two years.

Herald Tribune to cost 20p

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School heads 'need course'

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

MANAGEMENT TRAINING for head teachers was urged by Mrs. Shirley Williams, Secretary of Education and Science, yesterday.

Head teachers were not trained "any thing like adequately" to manage their schools, she said in Sheffield at the conference of the National Association of Headmasters and Educational Advisers.

Yet head teachers were possibly the most important single factor in determining the quality of a school. Mrs. Williams' call for management training courses a

similar recommendation this week by the Taylor Committee, which proposed that each of the 18,000 county schools be given a strengthened governing body composed of equal numbers of local authority, parental, community and teacher representatives.

The committee was criticised yesterday by the Transport and General Workers' Union for failing to make a stronger recommendation that school staff, such as caretakers, be given representation on governing bodies.

Whichever way it appeals to the European Court, the case seems set for a decision which are foreseen in its consideration before purely aspects.

Is the restriction of competition anchored in the adopted by the association of London brokers or in the fact, however, that the Bank of England has authorised banks?

If the latter is the case, the restriction is not the criticised arrangement exempted from the EEC competition under Article 7 of the Treaty?

This exempts enterprises entrusted with the operation of services of general economic interest from the impact of rules which would obstruct the performance of such services.

The question whether and foreign exchange brokers, or the request for an interim measure of protection, interest may well become a question, as soon as it reaches the European Court.

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Map by George Philip and Son Ltd. © 1977.

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HOME NEWS

Airlines allowed more cheap fare outlets

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

PASSENGERS will find it easier to buy cheap Stand-by and Skytrain tickets from Monday as a result of changes in the rules announced by the U.K. Civil Aviation Authority yesterday.

CAA loss of £32.6m. last year

BY OUR AEROSPACE CORRESPONDENT

THE CIVIL Aviation Authority lost £32.6m. last year. A loss of nearly £33m. on operations where the CAA does not control its charges, such as traffic control and navigation in the Scottish Highlands and Islands airfields, was set against a profit of £63,000 earned on those services where it does control charges.

Engineering sales lowest for 7 years

BY JOHN LLOYD, INDUSTRIAL STAFF

THE ENGINEERING industry's domestic sales fell to their lowest point since 1970 in the three months to the end of June, according to Government figures published in today's magazine, Trade and Industry.

Leyland puts £3m. more into Barfords

BY JOHN LLOYD, INDUSTRIAL STAFF

BRITISH LEYLAND is to invest £761,000 in the second phase of expansion of its Barfords of Belton subsidiary near Grantham.

Dormobile venture to beat chassis shortage

BY TERRY DODSWORTH

DORMOBILE, the vehicle building subsidiary of Charrington Industrial Holdings, is diversifying into caravans.

'U.S. treats debtors more leniently than U.K.'

BY MICHAEL BLANDEN

SUBSTANTIALLY more favourable treatment of debtors in the U.S. has helped to encourage a much higher level of personal bankruptcies than in the U.K., according to an article in the latest issue of the Three Bankers Review, published by the National and Commercial Banking Group.

New Tory scheme for direct grant schools

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

PAYMENT OF school fee subsidies by central government to the Conservative Party as a means of restoring the semi-independent direct grant schools, now being phased out by the Government, they include Manchester Grammar and North London Collegiate Girls' School.

Research Council running out of cash

BY DAVID FISLOCK, SCIENCE EDITOR

PROSPECTS for starting major scientific projects in Britain are bleak, even though many new opportunities for doing good work are unfolding, according to Sir Sam Edwards, outgoing chairman of the Science Research Council.



Sir Sam Edwards: "Britain's position will be eroded."

Bipartisan policy call for Ulster

By Our Own Correspondent

A CALL for a return to a bipartisan policy on Northern Ireland among Irish political parties was the main surprise arising from a day of talks between a Social Democratic Labour Party delegation and the three major parties in Dublin yesterday.

Mrs. Thatcher shows the Tory flag to the Highlanders

BY RAY PERMAN, SCOTTISH CORRESPONDENT

MRS MARGARET THATCHER had to have been fulfilled to the satisfaction of Scottish party organisers, in her chats with housewives and pensioners in the streets of Invercaddan and Tain, where large crowds had gathered, Mrs. Thatcher appeared relaxed and confident.

LABOUR NEWS

Scottish firemen ready to lead pay strike soon

BY DAVID CHURCHILL, LABOUR STAFF

A MILITANT Scottish firemen's leader yesterday threatened to lead the campaign to hold a national strike next month in support of demands for pay rises of 30 per cent.

Phase Two rise for Chrysler workers

BY DAVID CHURCHILL, LABOUR STAFF

SENIOR SHOP stewards representing Chrysler U.K.'s 20,000 hourly paid workers yesterday agreed to accept a Phase Two pay deal instead of pressing for rises of up to 25 per cent.

Leyland men vote to continue strike

BY ALAN PIKE, LABOUR CORRESPONDENT

PRODUCTION WORKERS at Engineering Workers' Union, British Leyland's Lancashire and truck factories voted yesterday to continue their strike as union officials met in a bid to resolve the problems of the company's cars on Wednesday night.

Union row over depot blacking

BY PAULINE CLARK, LABOUR STAFF

A MAJOR inter-union row is coming to a head over blacking action at a meeting of Freightliners' depots in the West Midlands.

Concorde shop stewards deplore New York ban

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

TRADES UNION concern about the possible demise of Concorde if no further orders are received, continued to grow yesterday.

Closed shop talk for NUJ

BY OUR LABOUR CORRESPONDENT

A SPECIAL MEETING of the National Union of Journalists executive to discuss the closed shop dispute at North of England has been called for Sunday.

Seamen see 'substantial' wage rise

By Our Labour Staff

THE NATIONAL Union of Seafarers submitted its claim for a substantial increase on its pay for "captive time" to the Maritime Union of the U.K. on Monday.

Liverpool b talks fail

By Our Labour Staff

LIVERPOOL b talks failed to produce a settlement on Monday as the union failed to agree to a 10 per cent increase in pay for the 100,000 members of the British Shipbuilding Industry Union.

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The Property Market

BY JOHN BRENNAN

Surveyor and solicitors sued for £335,000

West End surveyors Connells and the legal firm of Berwin Leighton are jointly being sued for negligence by United Dominion Trust. The finance group has charged the agents and their solicitors over advice given in 1973 on an abortive property deal on a site at Cat Hill, Barnet. UDT is demanding £335,000 compensation plus accumulated interest that could add several hundred thousand pounds to the eventual bill.

Connells confirmed yesterday that there was an outstanding claim from UDT over the property deal. But one partner from the firm commented that, as far as he was aware, the claim was dormant.

UDT say however, that they are actively pursuing the claim, which is believed to hinge upon Connell's advice about office development permission for the Barnet site. The finance group explains that the delay so far could be put down to the normally protracted nature of legal proceedings in such cases, and even now UDT does not expect the matter to be resolved in less than a year.

The claim against Connells will be the largest negligence action against a surveying firm to emerge since the nearly £500,000 judgment given against John D. Wood earlier this year. Wood was taken to task by Singer and Friedlander for their valuation of the Lyons House site near Stroud, Gloucestershire. And at the time of the judgment it was widely expected that the action would be viewed as a test case by several banks

unhappy about valuation and general property advice that turned sour after the market's collapse late in 1973.

While Connells and their solicitors' problems are now out in the open, a number of other surveying firms will have been keeping a watchful eye on events in the West London Magistrates Court earlier this week. Their interest will have centred on case number eight on Monday's session, when former Keosington and Chelsea chief planning officer Mr. Charles Hudson was further remanded on £10,000 bail on four charges of corruption. Mr. Hudson is alleged to have corruptly received cash and other benefits totalling £1,595 between May 1971 and June 1973 as an inducement to show favour with regard to planning applications for properties in Kensington.

Euston Road fills up

As potential takers of the 300,000 square foot Euston Square development form a queue at British Rail's door, the Post Office is understood to be taking a very close interest in Euston Square's near neighbour, Hearts of Oak House.

The Hearts of Oak Benefit Society's 75,500 square foot office tower, due East from the railway station along Euston Road, has been partially empty since British Steel and Sperry Rand decided to move out in December 1975. The Society occupies the podium space below the tower, and Sperry Rand held on to the top three floors of the tower while they arranged their move to Wembley.

Not even the building's dis-

tinctive brown glass cladding has been sufficient to attract tenants, however, and sole letting agents Walker Son and Packman have had to sing the praises of the six-year-old, air-conditioned block to an indifferent audience.

But now the Property Services Agency has vetted the building, pronounced it sound, and is believed to have passed its comments on to the Post Office. All the agents can say is that negotiations are in progress over the top nine floors of the tower, representing 40,950 square feet. Asking rents work out at £8.60 a square foot, nearly £3 lower than rents talked of for British Rail's new development.

The Rail Board was able to enjoy the recent "topping out" ceremony at the £30m. scheme with the knowledge that several major groups have expressed interest in taking all or part of the 300,000 square feet. Esso Europe has been tipped as the front runner for the building, having decided that Amalgamated Caledonian's 140,000 square foot development in Victoria Street was too small.

Bath's shops slip downhill

The City of Bath has been a focus for planning controversy since the Woods built the Royal Crescent. The latest battle centres on the City Council's 31 acre Green Park Railway Station site.

Three proposals for development of site are now on the table. There is Tesco's plan for a 70,000 square foot store, recently amended to include an element of community facilities. Sainsbury's scheme for a 50,000 square foot super-store, and the City's

own efforts to attract developers willing to build a 200 bedroom hotel on the land.

The Green Park Railway Terminus was a victim of Dr. Beeching's axe in the mid-1960s. But the Victorian terminus building is listed, and although both store schemes would leave the building unharmed, both schemes have been nixed down by the council. Tesco and Sainsbury have appealed to the Secretary of State for the Environment and public hearings of the appeals are expected to be arranged early next year.

In the meantime, the council has gone ahead with its original plans for a hotel on the approach tracks to the station, and has commissioned Knight Frank and Rutley to put 2.2 acres of the site on the market with the existing hotel planning consent.

Bath's council has also now commissioned Drivers Jonas to carry out a six month comprehensive shopping survey, partially with an eye to the Green Park appeal, and partially to get a better picture of recent changes in the overall pattern of shop use in the City.

Since the completion of the Land Securities subsidiary Raveosoft's Southgate Centre shopping precinct the centre of gravity for retailers has been shifting downhill, a move accelerated by the completion of Sainsbury's existing store in the City and the concentration of other major multiples in or near the successful Southgate scheme.

What worries the council is that the majority of the City's historic buildings are in the north of these new schemes. And they have asked Drivers Jonas to see whether an exodus of trade downhill will affect the viability of shops in the traditional City centre.

If the results of the survey are as contentious as DJ's recently completed review of shops for Aberdeen's City Council, Bath's planners will be in for a battle royal. In Aberdeen the surveyors advised the council to concentrate on retail development in the city centre and to block

further edge-of-town schemes. The council accepted the advice, rejected proposals for city fringe developments and found itself with an appeal against that decision from its theoretical overlords on the Grampian Regional Council, joint promoters of one of the building projects.

In Brief

Property shares should continue to move in line with the FT All-Share Index according to the team of chartists at stockbrokers Rowe and Pitman, Hurst-Brown. And as the brokers' charts suggest that the market will continue to move ahead after a period of consolidation, that can be taken as a cautiously optimistic view of the sector.

In a detailed look at British Land's proposed issue of 13 per cent. Unsecured Loan Stock 2002, the brokers feel that the new stock could move to a premium at the top end of the 40-50 per cent. range. On their calculations, with the ordinary shares at 36p, a nil premium for the convertible would give the stock a value of £861. But their estimate of a 30.5 per cent. premium would suggest a market value for the stock of £1131.

The future of property development in this country will be discussed at an evening meeting organised by the Royal Institution of Chartered Surveyors at the Hotel Russell, WCI from 5.45 p.m. on Tuesday, October 11. Mr. Nigel Brookes, chairman of Trafalgar House, Mr. E. W. Phillips from Lezards and GLL Valuer and Estates

Surveyor Mr. W. J. Plunkett are to give their personal views on the shape of development in the future and will deal with questions from the audience. Free tickets are available from the RICS at 29, Lincoln's Inn Fields, WCI.

An increasingly important feature of the development scene is the number of major stores groups taking over the property companies' traditional role. As



Flat break-ups are commonplace again now that banks are packed with lendable cash, building societies have mortgage funds available, and liquidators' portfolios are crammed with suitable propositions. But a street break-up? Even in the hectic market of the early 1970s that was something of a rarity.

Camden Charities are bringing the entire 51-house Clarendon Gardens in Kensington on to the market, to be sold in one lot by tender next Thursday. Chestertons, who are handling the sale, expect that the freehold road will fetch around £1m., not as a long-term investment but most probably as the basis for a break-up. The price estimate implies the resale to leaseholders of each six-storey terraced house for an average of £30,000.

Camden Charities has owned the Clarendon Gardens site for more than 300 years,



having bought the land with a £45,000 donation from Oliver Cromwell and the existing buildings (above) were in the second half of the last century now mainly in multiple occupation.

Income from the estate is on £40,000 a year at the moment, and rent reviews fall due on 16 of the 11 this year, controls on residential likely to limit the increase in another £30,000 or so a year.

Chestertons expect that most of the tender will be shown by property able to take a capital profit by the sale of individual head leases to leasees. The estate includes a freehold hotel, with a lease expiring and one house, which has been converted into five leasehold flats, under direct management.

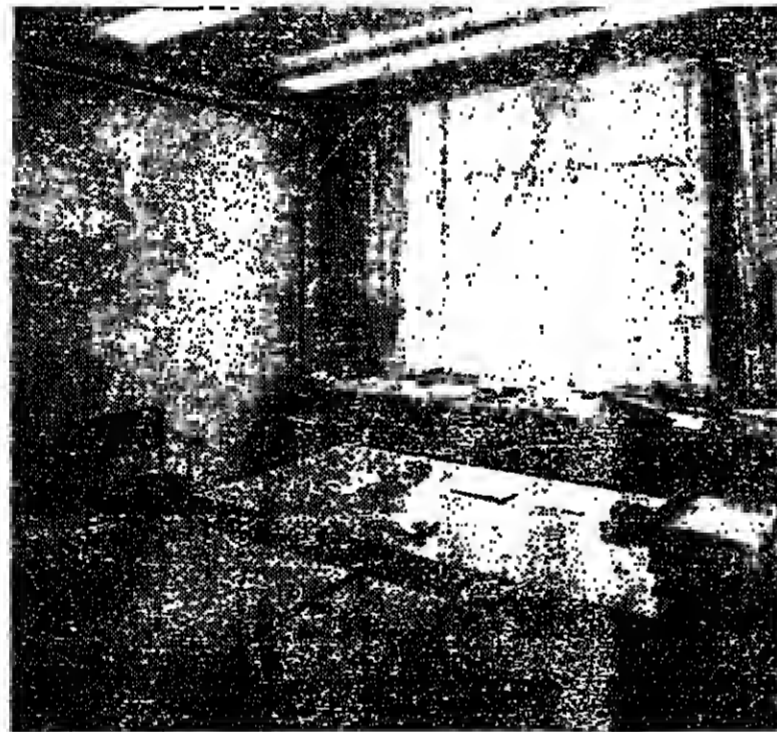
Tesco and Sainsbury via the cheered a few weeks ago when and Co. and Lee Green Park site in Bath the Charrington Group moved managed to agree to get a scheme off the drawing board in Crews.

Crew and Nantwich Borough offices. Now Kleinwort Benson's warehouse space, the Council have given Asda the go-ahead for a £2.5m. redevelopment, plan to the north of Victoria Street, Crews. The project includes a 40,000 square foot super-store for Asda, ancillary shops vendor was represented by local Woking, Hampton & 600 car parking spaces. Work agents Cartwright Holt and Sons, on the site will begin in April. Further south Dinsdale Developments have now nearly completed lettings on their 37,550 sq. ft. industrial and warehouse for industrial property. Camden estate in Greenford, Middlesex, rent close to the ask price's usually slack market was joint letting agents Brian Cooper £5.50 a sq. ft.

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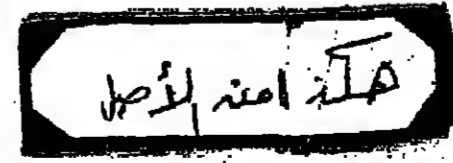
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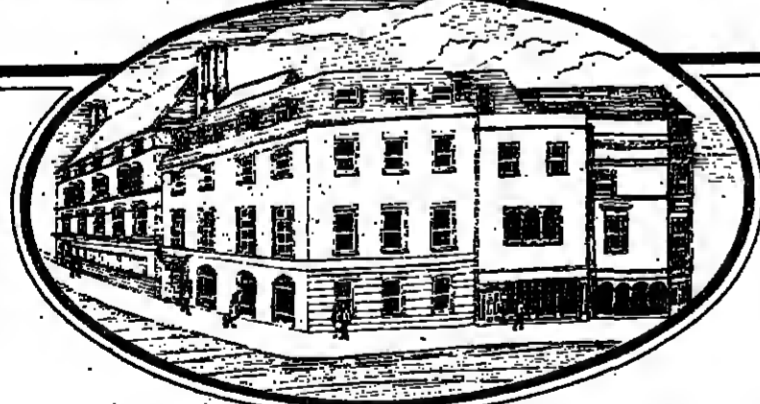
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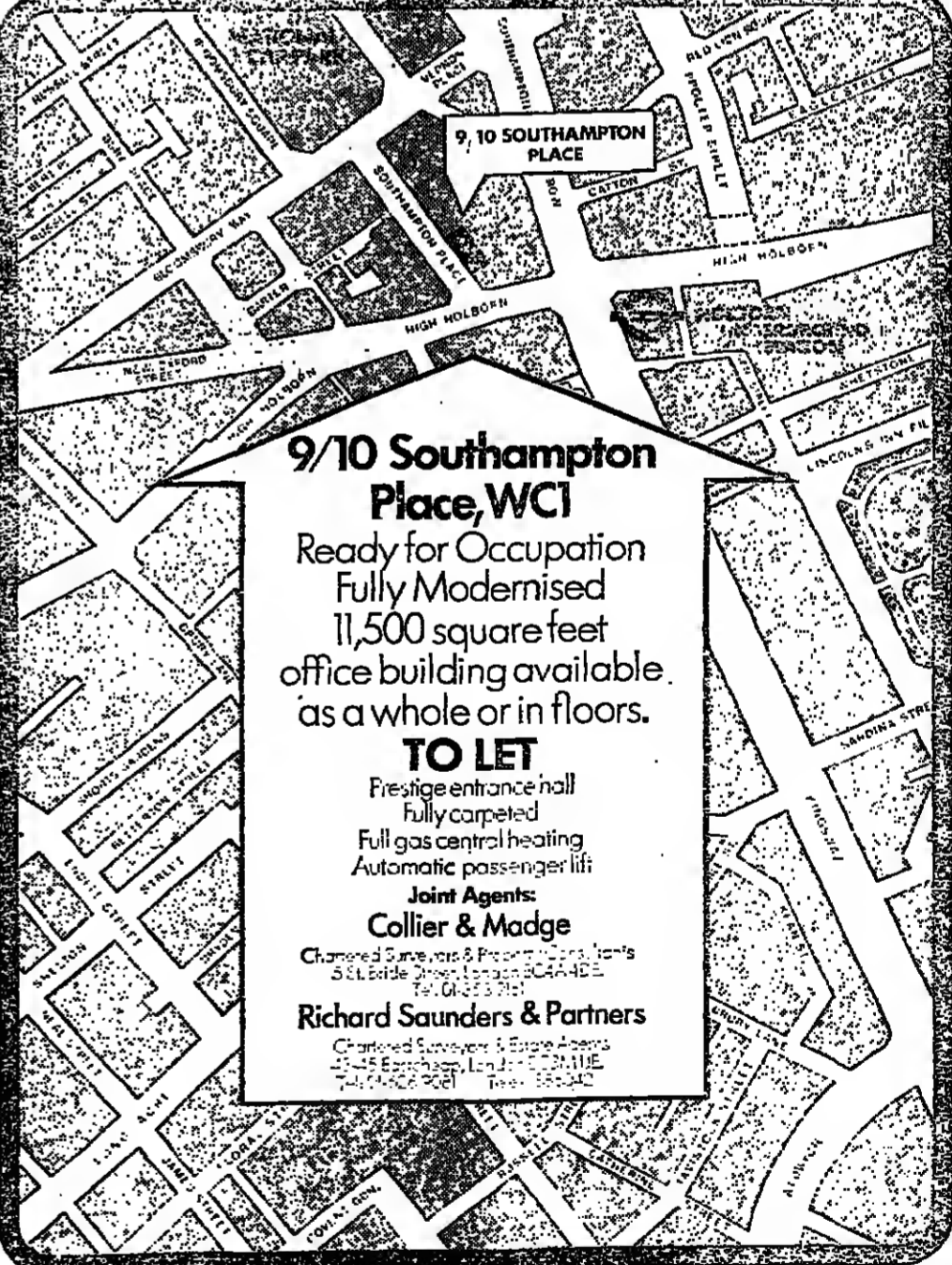
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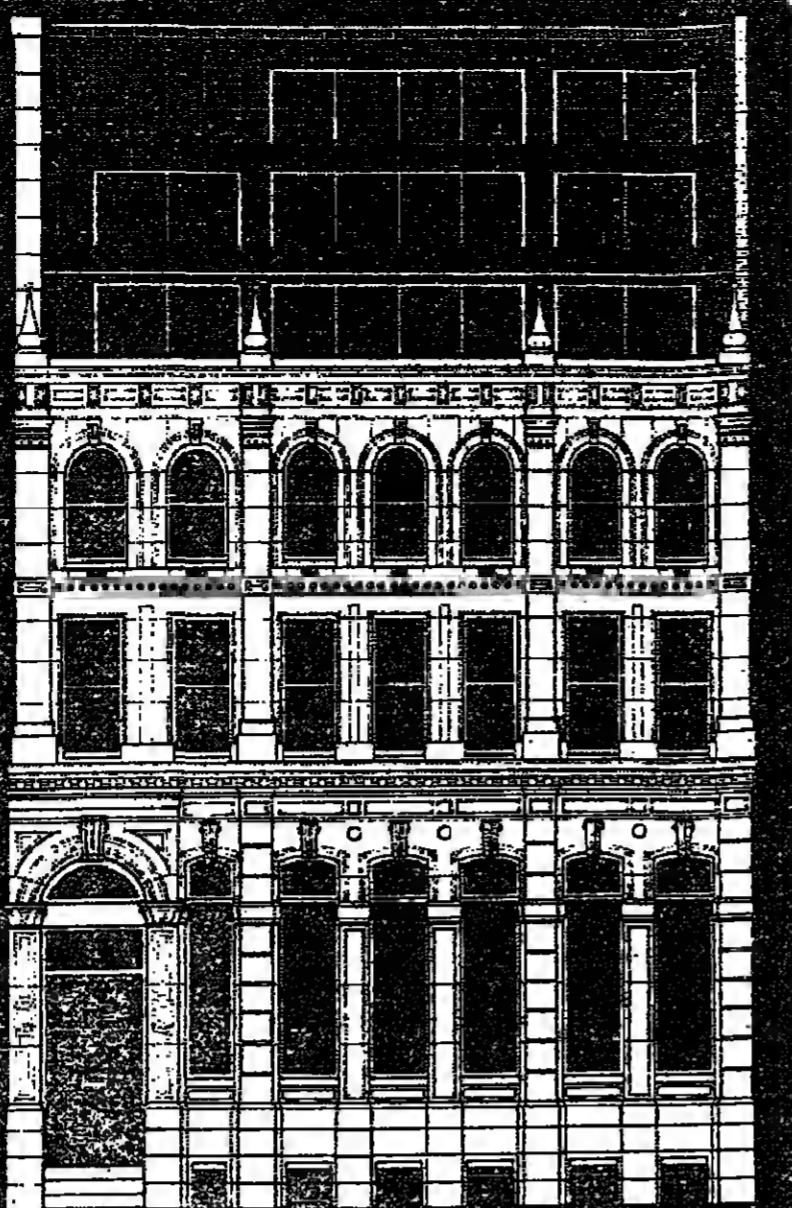
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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

COMPUTERS

IBM to launch at the big end

AMERICAN indications are that IBM's two successor systems for the 370 Series, the 3032 and the 3031 are to be announced in October. They will be down-scale relative to the 3033 announced earlier this year, which was the top end of the new range, a minimum installation of which is expected to have about twice the power of the present 370/168 when delivered next year.

The 3032 is the replacement for the 370/158; the 3031 the replacement for the 370/145-148 and 370/135-138. However, in price-performance terms they are reputedly twice as powerful as the systems they replace, and the IBM price is said to have been calculated to give likely competition a serious marketing problem.

In the case of Saary, Univac and Burroughs, the launch can be expected to accelerate prepared new competitive offerings.

Runs its jobs at once

TRANSACTION PROCESSING is growing in popularity as managers come under increasing pressure for immediate decisions backed by the latest possible company performance data.

Demand for the Cortez Cobol package designed for ICL 2902 and 1900 users by Zeus-Hermes has been considerable and some 62 installations have been made since it was first launched.

At the same time, users have been seeking to expand their applications under Cortez and Zeus-Hermes.

ICL wins in Ireland

NINE Local Authorities have chosen ICL 2902 computers for installation throughout the Irish Republic. Ten systems have been ordered from the U.K. company after assessment of proposals by a number of manufacturers.

The computers will be used to provide a range of typical local authority computing services such as payroll, payments and receiving system and budgetary control and costing.

PROCESSES • POLLUTION

For small mouldings

RESEARCH, PROTOTYPE, low volume and similar injection moulding requirements can be met with the Zematic semi-automatic injection moulding machine, according to the maker, Shorebreeze, Water Eaton Industrial Estate, Milton Keynes, MK2 3JJ (0908 76051).

The company says the machine is intended for manufacturers on the periphery of the plastics industry, for laboratory or teaching applications, and for making prototype mouldings.

Tolerances of ± 0.001 inch can be met. Maximum moulding weight is 25 grammes. The machine uses a hopper-fed vertically mounted injection unit, and the mould is manually loaded and clamped. From then operation is automatic — both moulding temperature and cycle time is pre-set. It is claimed that moulding rates up to 150/hr can be achieved. Services required are a standard factory airline and a single phase supply.

The maker, which designed the machine originally for its own use, will be offering a mould design and manufacturing facility.

Oxygen is the cheapest answer

Environmental department to combat biological oxygen demand (BOD) overloads in effluent plants, by maintaining the dissolved oxygen content, and adding supplementary oxygen when conventional aeration systems can no longer cope. This maintains effluent standards and prevents sludge bulking.

At Irthlingborough fruits and cereals are processed, and specialist sugars, stuffings, cheese cake, and rusk, a food filling material, are manufactured.

In considering methods of efficient treatment, Whitworth Holdings first decided to buy a bio-tower system. BOC offered to install a pilot oxygen plant and carry out an on-site investigation to assess the biodegradability of this type of effluent, using activated sludge.

BOC's offer was accepted, and results proved conclusively that an activated sludge tank with oxygen could cope successfully with various load conditions.

It was then decided that Whitworth Holdings' most economic method of treating effluent was to choose an optimum size aerator tank, able to handle up to three-quarters of the normal effluent load, and to use oxygen to take off the peak loads. This method reduced capital costs to £190,000 which was half the original costs of £380,000 for the bio-tower system.

The increased effluent load at Whitworth Holdings has been more than expected this year, and oxygen has successfully provided the necessary stand-by.

At present two aeration tanks using BOC Vitox systems are installed with a third to be installed later this year.

Since the oxygen system is fully automated, there are no problems in its operation, and it provides total flexibility. Oxygen is used only when needed, at times of peak demand.

An added advantage is the reliability of the system which needs little maintenance. Oxygen is fed from a bulk storage tank installed on site.

AUTOMATIC Labels on inventory

COMPUTERISED technology producing a store map system of coded shelves supermarket shelves. U.K. retailers will undoubtedly annually, but consumers unambiguously and product in accordance to Harland which has acquired a U.K. and European American process automated printing self-adhesive labels.

An important adjustment label system an electronic data capture which record data labels for stock on ordering, thus replace clipboard and pencil.

Harland Data Systems provide a data proof printing service orientated to the function of shelf labels for to keep pace weekly changes. The labels on the product, its computer price and unit its display allocation, any form of bar code code. For this reason service is closely related dependent upon of the U.K. Article Bank, scheduled for 1978.

With the computer system, Harlands will supply price-change labels for thousands of for all branches of such chains in as little as while also accommodate pricing region store category.

Any bar codes, read by light pens electronic scanning is printed on the labelling EAM, UPC, MS Codabar, Telexon and the electronic devices are produced by Plessey, Azurdata, Brunswig, Telexon International.

The lightweight M, for example, which cost £700, can be scanned via a keypad or scanning of a printed Alternatively, a 50-bar code company can use the devices for less than branch-per-week.

Harland is at Lani Ginter House, Anl. 0482 56 1170.

INSTRUMENTS

Sound level measured

POCKET-SIZED, multifunction sound level measuring instrument is being launched simultaneously in the U.K. and the U.S.

Using microprocessors, it automatically measures, and displays on an LED digital readout, "A" weighted sound levels over a selected 54 dB range, Leq (equivalent continuous sound level), Lmax (maximum sound level sampled), and the duration of the measuring period.

Called the Type db-306 Metrologger, the instrument is normally supplied with a 1/2-inch ceramic microphone, which can be mounted on the instrument or positioned up to 100 feet away. Sound levels are displayed in 1 dB increments and updated four times/second.

Powered by a 9 V battery, with an operating life of about 72 hours, the device weighs 9 ounces and measures 6 by 3 by 1/2 inches thick.

Made by Metrosonics Inc., in the U.S. it is marketed in this country by Daws Instruments, Concord Road, Western Avenue, London W9 6SD. (01-892 6751).

METALWORKING

Takes dust in grinding

ONE OF the major environmental problems in industry is the dust produced by grinding operations. Solutions offered range from face masks and respirators, to special ventilation and exhaust systems—all rather cumbersome and expensive.

A series of grinders has been developed which incorporate equipment for the removal of the dust at the point where it is generated. The tools are equipped with a rotating suction cup of the same diameter as the grinding wheel. There are no suction nozzles or hoods to impair visibility or obstruct access to the workplace.

The system is based on the LVHV principle (low volume, high velocity), which limits the dust volume required. For abrasive coated fibre discs, the plastic suction cap bends with the disc, while with bonded abrasive wheels of the depressed centre and cup types, the cap wears at the same rate as the wheel.

All the equipment for these "on-the-spot" dust removers was designed and developed by Atlas Copco, including the vacuum valve, pipeline, filter and vacuum unit. The valve opens only when grinding is in progress.

The filter has a built-in cyclone to remove coarse dust particles, and can be fitted with automatic cleaning.

This company has also introduced a range of air motor driven screwdrivers, which incorporate exhaust fume removal. It is claimed that the design has reduced the usual noise level to 85 dB(A), which means that the screwdrivers can hardly be heard on a normal assembly line.

Details from Atlas Copco

COMMUNICATION

Quiet Telex at BBC

EXISTING teletypewriter installations in the BBC's internal telex network are to be gradually replaced with send/receive/edit CRT display units, augmented by matrix printer for paper copies of messages.

These teletypewriter-speed VDUs have already been installed at Lloyds Bank International and the London Fire Brigade and are made by Automation and Technical Services of Hayward Heath. Similar announcements are likely to be made soon about orders from Shell, Pan Am and United Press International and the company has recently sold 50 units to a German company making message switching systems. ATS expects to provide 100 units to the BBC worth about £1m.

In a recent trial, these VDU displays have been installed in both Broadcasting House and the Television Centre. In the News Room for example, the displays are used to assemble bulletins for transmission to the regions and local radio stations. Switching is via the ITT ADX data exchange installed a few years ago. Staff have apparently found the machines easier to use than teletypewriters and have welcomed the silent operation.

POWER

Drives fast pump

SHOWN yesterday at was a new combustion engine coupling and gear unit for driving high-speed pumps.

Made by Fluid Drive, it is use of six 1 constructed for Weir installation at CEB brook. D power station value of the order £600,000.

Fluid Drive has taken the art fluid coupling and combined it with a high-speed turbine design to produce a fluid coupling and gear unit for driving high-speed pumps. With output speed 9,000 rpm and rate 12,000 kW, the new unit is available for driving high speed modern compressor design.

Littlebrook D fluid will have a continuous 7,600 kW with input 1,480 rpm and output 6,500 rpm.

More from the 03-560 1121.

SECURITY

False alarm cases cut

ALARM CONTROL equipment developed by Group 4. Initial security has the specific objective of increasing reliability.

Group 4 multi-link control unit uses advanced circuit CMOS technology aimed at the criterion of reducing the present unacceptably high level of false alarms.

Estimated as accounting for as much as 60 per cent. of false alarm calls is the failure by subscribers to adhere to a predetermined exit pattern from their premises after activating the alarm system. An aspect of Multi-link is that, in such circumstances, a localised warning is given rather than a full alarm.

A further cause of false alarms in conventional units has been electrical interference created, for example, by generator plant cutting in and out. CMOS has a high degree of immunity to such interference and provides a previously unattainable level of stability.

Both these improvements have been incorporated in line with the considerable concern expressed by police authorities nationally over the strain placed upon their manpower resources in dealing with false alarm situations.

Group 4, Farncombe House, Broadway, Worcs. Broadway 0038 6811 2821.

Transfers take off

FIRST installed of five novel transfer machines ordered by Peace Transfers for a new plant at Bangor has cost some £160,000 and is believed to be the most modern automatic screen printing machine in the world.

It is capable of 3,000 four-colour impressions an hour—258,000 transfers of four inches diameter per 8-hour day—and has four separate 18 x 13 inch printing screens each with its own intermediate dryer.

The other machines on order, like the first from the TDL organisation, include a giant four-colour unit with a screen area of 50 x 100 inches. They will be delivered before the early part of 1978 and account for a large proportion of the £1m, the company is spending on an expansion to meet a known and growing demand for decorative

Pure water made simply

TEIJIN, a major Japanese synthetic textile textile maker based in Tokyo, reports that it has developed a reverse osmosis membrane of high strength and excellent water-purifying efficiency. The work has been done in collaboration with Abcor Company, of the U.S.

The company plans to start commercial production in the near future of the membrane which was developed as part of a U.S. Government project to purify Colorado river water.

The basic material for the membrane is an aromatic polymer called "polybenzimidazone". More conventional reverse osmosis membranes are generally made of cellulose acetate.

The new product is capable of removing nearly 100 per cent. of salt contained in water, and withstands acid corrosion better than cellulose acetate, Teijin asserts.

Reverse osmosis is one of the most attractive processes for water purification because of the simplicity of the equipment and installations required. But a major problem has been the life of the membranes and their efficiency under pressure and in the presence of corrosive media.

Because of this, the process has been largely excluded from city-scale processing of water and reserved for such work as concentrating fruit juices and in the drug industry where its efficiency and end-product cost justifies its use.

The Japanese advance could lead to his reverse osmosis installations for the production of potable water on a large scale.

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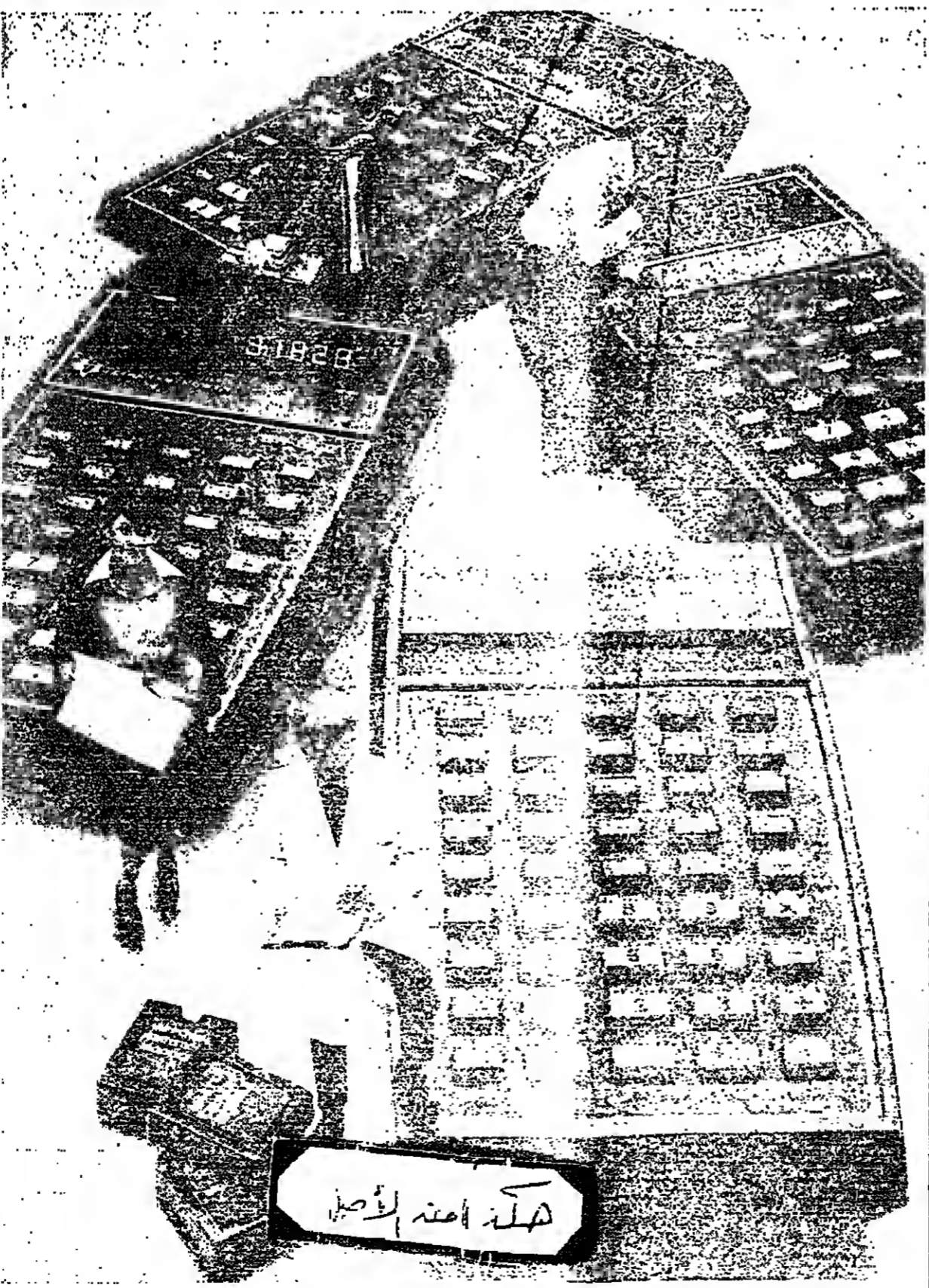
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The Management Page

مكازم الأعمال

EDITED BY CHRISTOPHER LORENZ

William Gullforce, in Stockholm, explains how union and suspicion helped destroy a bold attempt to put the beleaguered Swedish car industry back on its feet

BY 6 the men and Gullforce, in Stockholm, explains how union and suspicion helped destroy a bold attempt to put the beleaguered Swedish car industry back on its feet

...those four reflectives of per- and management styles, Gullforce explains, are the technical quality of the cars and their advanced production methods helped them to carve out respectable shares in the safety and environment conscious segment of the American market and the "executive" segment of the European and other markets.

Keener competition within those segments from other producers, coupled with the slower growth of the world car market since 1974, has eroded these advantages. The market deterioration has been compounded by the rapid rise in unit costs which has affected all Swedish industry over the past two years.

Volvo and Saab-Scania have a combined car production capacity of just under 500,000 a year. In 1976 they produced 392,700 and sold about 369,000 cars. In the same year, Saab-Scania acknowledged for the first time that its car operation was running at a loss. Volvo, bleeding badly from the new 343 medium-sized car manufacturing in Holland following its takeover of the Daf car operations, reported a return of only 2 per cent on total capital employed in its car business.

Both Swedish companies have reduced output further this year and have been trying to offload the excess stocks of cars in their distribution networks.

Objectively, the situation seemed to be tailor-made for a retrenchment and consolidation of the Swedish automobile industry, involving the fusion at least of the car operations of the two companies. Motivating their merger plan on May 6, the chairman and managing directors underlined the similarities in product programmes, and

marketing strategies of the two companies and the advantages to be gained from standardising components and co-ordinating market investments. Savings were estimated to be over Kr.1bn. during an unspecified period. So what went wrong?

First, there was the negative reaction from the management of the Scania truck division, which has a strong voice on the Saab-Scania board in its former general manager, Mr. Gösta Nilsson.

Marcus Wallenberg

To put it crudely, the Scania men did not want to saddle themselves with another ailing car manufacturer. Scania has been supporting the Saab car division since the 1969 merger.

In the run up to the merger announcement, Stock Exchange considerations had imposed strict secrecy on the chairman and managing directors of the two companies and it is probable that not more than eight people in all knew of the decision before May 6. It was, however, assumed that the decision was based on a detailed analysis of the advantages of a merger.

The Scania management found that no plan of this kind existed. After perusing the information available on Volvo's business position, it developed the suspicion that the merger was motivated chiefly by Dr. Wallenberg's desire to round off his career by saving the Swedish car industry and by Volvo's need for a partner to rescue it from its Dutch venture.

The implication for the Scania men was that their profits were to be called on for yet another rescue effort, which could put their own business at risk. The merger announcement also centred some psychological knocks. It looked too much like

a Volvo takeover. The offer to shareholders involved a straight one-for-one exchange of Volvo shares but there was a more complicated deal for the Saab-Scania shareholders involving a convertible debenture. Mr. Gyllenhammar was nominated managing director of the new holding company, whose head office was to be in Gøteborg, Volvo's headquarters. The psychological climate was not improved when stories started to circulate of Volvo men

keeping up with the market. Resistance to the merger within the Saab-Scania Board was reinforced when it succeeded in bringing a deal with the Swedish Government to take over half its manufacturing computer company, DataSaab, and it became apparent that the group's financial performance would be stronger than Volvo's.

Pehr Gyllenhammar

Mr. Mileikowsky is a nuclear engineer by training, and his detection emphasised the growing divergence between the Saab-Scania's technical and financial approach to the merger. Early in July the Saab-Scania Board, which had already passed the July 1 deadline agreed by the two companies, decided to postpone its reply until the Volvo half-year report had been published.

Oddly enough at this point a majority of the Board, while rejecting a merger, was apparently ready to negotiate with Volvo on a co-operation agreement, which was at least in principle close to the programme outlined to the AGM as early as May 11 by Dr. Wallenberg. He had re-emphasised the need for continued competition between Volvo and Saab products but also for co-operation

in these foreign markets where competition would entail losses for both. By this time, however, Mr. Gyllenhammar had had enough of the Saab-Scania Board's delays and what he regarded as a campaign to form an opinion. Detailed studies on how to realise the merger could not be started because on May 6, in accordance with Sweden's new co-determination legislation, the Board referred the merger plan to their union representatives for an opinion before proceeding.

The unions were given until the end of June to respond. In the meantime, Mr. Gyllenhammar argued, the Volvo management had to "freeze" work on the merger, because it would have carried matters beyond the information available to the unions, and "we would have had the problem of bringing them constantly up to date."

The unions replied on schedule. With the exception of the Saab-Scania white-collar and foremen's unions all favoured the merger, subject to six conditions on organisation and five on employee participation. These conditions are somewhat ambiguous: one stated that employment should be maintained at its current level in those districts where Volvo and Saab-Scania had plants, another insisted that any decrease in employment should take place "under appropriate circumstances in the business cycle."

The accounting unions also asked for four seats on the new Board compared with the two obligatory by law.

The two companies appear to have read the union replies differently. In Saab-Scania the provisos about employment were taken to add up to a rejection of the merger's purpose and strengthened the Board majority's opposition to the plan. It was felt that the unions were exploiting the merger proposal to gain ground on co-determination and eventually to have the car industry brought under State control.

In Volvo, on the other hand, the union answers were read as accepting a reduction in employment in the car industry, provided workers were laid off during periods when other jobs were available. The demand for four worker direc-

Boards and managements over a matter of such potential importance for their employees and shareholders and for the national economy. Do the Saab-Scania management's arguments stand up? And, if they do, do they necessarily obviate a fusion of the car operations or even a common financial programme? Why were these arguments not thrashed out? Saab-Scania executives complain that they were never given access by Volvo to the confidential financial information needed to plan a business merger.

At this point the Volvo case must be put: and this highlights the trade union involvement. Mr. Gyllenhammar's argument is that the May 6 merger announcement was a "strategic

Business decision" based on enough information about the two companies' financial, production and marketing situations for the Boards to be able to form an opinion. Detailed studies on how to realise the merger could not be started because on May 6, in accordance with Sweden's new co-determination legislation, the Board referred the merger plan to their union representatives for an opinion before proceeding.

The merger that backfired



Marcus Wallenberg

Pehr Gyllenhammar

Curt Mileikowsky

Gunnar Engellau

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Business decision" based on enough information about the two companies' financial, production and marketing situations for the Boards to be able to form an opinion. Detailed studies on how to realise the merger could not be started because on May 6, in accordance with Sweden's new co-determination legislation, the Board referred the merger plan to their union representatives for an opinion before proceeding.

The unions were given until the end of June to respond. In the meantime, Mr. Gyllenhammar argued, the Volvo management had to "freeze" work on the merger, because it would have carried matters beyond the information available to the unions, and "we would have had the problem of bringing them constantly up to date."

The two companies appear to have read the union replies differently. In Saab-Scania the provisos about employment were taken to add up to a rejection of the merger's purpose and strengthened the Board majority's opposition to the plan. It was felt that the unions were exploiting the merger proposal to gain ground on co-determination and eventually to have the car industry brought under State control.

In Volvo, on the other hand, the union answers were read as accepting a reduction in employment in the car industry, provided workers were laid off during periods when other jobs were available. The demand for four worker direc-

Boards and managements over a matter of such potential importance for their employees and shareholders and for the national economy. Do the Saab-Scania management's arguments stand up? And, if they do, do they necessarily obviate a fusion of the car operations or even a common financial programme? Why were these arguments not thrashed out? Saab-Scania executives complain that they were never given access by Volvo to the confidential financial information needed to plan a business merger.

At this point the Volvo case must be put: and this highlights the trade union involvement. Mr. Gyllenhammar's argument is that the May 6 merger announcement was a "strategic

Never tested

It must be noted that Volvo and Saab-Scania thrashed out none of their divergences of fact and opinion about technical and financial integration at either management or Board level. Arrangements were never put to the test and the merger plan dissolved into personal acrimony. It is difficult to say how much this was due to the novelty of union involvement and how much to management indiscretion, for one feature of the current Swedish business scene is that co-determination increases the influence of the managers as well as of the employees.

It is no longer possible for two companies to be amalgamated as a nod from Dr. Wallenberg. This has the advantage of opening up the issue for discussion (there was practically no discussion about the Saab-Scania merger in 1969) but also enlarges the potential for muddle and indecision.

A further conclusion may be drawn from the merger debacle. The shareholders had no say. No panic fusion of two lame ducks was involved since both groups were still making profits; and yet the Boards and top management of two major private enterprises could not effectively settle their business. Even worse, from the point of view of private enterprise, they may now be in danger of losing control of the situation.



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An insight to tax in Europe

BY NICHOLAS LESLIE

A SIMPLE guide to taxation in Western Europe, which is both relatively comprehensive and right up to date, has just been produced by Deloitte and Co., the accountants.

The book is designed largely for the U.K. businessman operating overseas and by its own admission aims to be only a broad guide to the more important taxation problems "and does not seek to provide a de-

fninitive and detailed examination of the tax legislation of each country."

It is also pointed out that anyone engaged in investment overseas will be aware that taxation matters play only one of the roles in determining the way in which operations abroad are conducted and shareholdings structured. "Thus, taxation must always be kept in line with other broader commercial and exchange control considerations and must not be allowed to cloud the central business issues."

In all, 23 countries are embraced by the guide, including the nine EEC countries, and the Channel Islands, Gibraltar and the Isle of Man (each of which has special EEC status). Among the 11 others are Greece, Spain and Portugal — which are actively seeking EEC status.

To describe the situation in each country a set of 18 standard paragraph headings has been devised. Subjects covered include: Types of business organisations; Basis of assessment; Payment of tax; Main rules of computation; Trading losses; Capital gains; Tax rates for companies and for individuals; Capital taxes; Social security contributions; Tax incentives; and double taxation agreements.

For each country there is also given a brief résumé of such things as its physical situation, political status, the availability of facilities such as communications, banking, and legal and accounting services. The basis of exchange control is also indicated.

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Friday September 23 1977

German self doubts: breeding ground for terrorism

BY JONATHAN CARR, Bonn Correspondent



Security has stepped up for politicians and businessmen: a policeman on guard outside the Bonn residence of Herr Franz-Josef Strauss, the Christian Social leader.

Power without principle

'THE END justifies the means' has never been accepted as a principle in Britain or in societies subscribing to the Western tradition of law and justice. The real danger of the Government's threats to cut off export credits to the Ulster firm of Mackie goes well beyond the familiar controversy about incomes policy and concerns the balance between the claims of the executive and the rights of the citizen.

In the White Paper, The Attack on Inflation, the Government laid down an objective of a nationwide increase in earnings not exceeding 10 per cent. It would clearly be desirable for this limit to be held, and the more it is exceeded the worse will be the outlook for both jobs and prices.

Aspirations The difficulty is the translation of a national aspiration into individual settlements for workers in widely different situations. The short cut method is to have the same—or nearly the same—for everyone. This was what happened under Phases One and Two; and it was precisely because of the accumulated rigidities that the Government found it impossible to negotiate a Phase Three with the TUC.

The July White Paper does not specify clear criteria for individual cases. Indeed it specifically states that "it is not possible to stipulate a specific figure at which negotiators should invariably settle" and Ministers have stressed the need for flexibility in dealing with differentials and relativities.

This leaves much room for differences of interpretation, but it is not the normal habit of companies to make large wage awards simply to embarrass governments. Least of all a company with as hard-headed and businesslike reputation as Mackies. The concern has been suffering from a loss of skilled engineering craftsmen, because its level of pay is less than that of competing engineering companies including Harland and Wolff, which is dependent on Government financial support. A labour shortage in a firm overwhelmingly devoted to exports is almost a textbook example where pay

MORE IS AT STAKE in Schleyer was taken alive. It has become more evident than ever that those who commit these achievements of rather faster deeds are very far from economic growth and the capture of a terrorist band. The system itself—the social market economy embedded in a free democratic order—is under increasing strain. How the Germans deal with this double challenge will have an impact far beyond their own country.

The terrorists themselves clearly see a direct link between the economic order and the society they want to destroy. Hence their latest choice of victims, Dr. Hans-Martin Schleyer. Dr. Schleyer is not simply an industrialist. He is the leading representative of West German employers—the embodiment of one side of the "social partnership" in West German economic life which has long been envied elsewhere. Dr. Schleyer is a tough character—as the reaction of trade unionists who have emerged from bargaining sessions with him bears eloquent witness. But he played within the rules. Labour representatives were as quick as anyone to express their regret about his kidnapping and to condemn the violence of his captors.

Less than two months ago the victim was Herr Juergen Ponto, shot dead in his home near Frankfurt. He was not only head of Dresdner, one of the leading banks. A man of wide interests beyond his own profession, he was also a particularly stout and eloquent defender of the social market system. Herr Hans Friderichs, then Economics Minister, said in his address at the memorial service, that Herr Ponto had become "a representative of an order which in its ideal form—by no means always achieved—combines economic success with social justice, hard work with active humanity, business instinct with cultural and social responsibility." The terrorists hate this order. Herr Friderichs said. That is why they shot Herr Ponto.

His words caught part of the mood among those present—as good a cross section of politicians, employers, trade unionists and representatives of the arts as one is likely to find in one place. But there were other feelings too and they run right through German society at present. Above all there is the concern of many leading figures that they may be the next target. Since Herr Ponto's death, businessmen have been taking extra precautions. It is becoming harder to make long range appointments with them. Clearly they have no desire to let their movements be known well in advance.

But what precautions are feasible beyond the kind which Herr Schleyer himself took? He was protected by three armed bodyguards—two of whom fired back at the kidnapers before being shot down, yet Herr

feels has been under Government tolerance of those who themselves seek to destroy a free society. A tough political dispute on the issue seems bound to be one of the main features of this autumn. The particular danger is that criticism of those said to be "soft on terrorism" may escalate into a witch hunt against all who express liberal opinions. It will be hard indeed for the moderates in all parties to keep the upper hand.

Mingled with the shock and trepidation at the attacks on Herr Ponto and Dr. Schleyer, there have been two other reactions—especially, though not only, in the business community. There is bafflement about the background of terrorists who often come not from poorer families but from the better-off, who apparently wanted for nothing during childhood and who now wait nothing but the collapse of the whole system—the "caviar society" as one called it.

Their apparent aim is to "free the masses," though there is absolutely no demand from German labour—and precious little from anyone else—for the kind of "freedom" said to be on offer. Even Herr Rudi Dutschke, the student leader of the 1960s and no friend of the social market system, rejects the terrorists' model society as one of domination through terror. It would

system the Germans have believed to be the key to the... Many industrialists claim that the "social" content of the social market economy is home to drama and that this is why the system no longer functions properly. Hoeschele, a financial commentator, has noted that wages to workers have increased since the cost of living benefits them had set up several... For every 1,000 the company pays out in 1976 it pays an... worker's (1976) account... Public sector borrowing has fluctuated between 33 per cent of Gross Domestic Product between 1975 and 1976-77. To limit the public sector, the Government has sought to... back its borrowing... But the Government's 1978 means that... need will once again... The Government will... little trouble... needs—chiefly... private sector... competition... in... market... Some industrialists... as to suggest... Federal Republic... a job-creating... such as it received... structure, when... and initiatives were... the sky was the limit... most doubtful whether... could take the measure... might bring such a change... Certainly, many... have reacted... modest steps... Herr... has taken to... the... They are... to treat income... demand for... that more cash... consumer spending... as well... costs for... of... is... say... that... ought to... investments... should... enough good... Put all this... economic demand... raised by... the... reaction... less than... But... all levels... a strong... disorientation... a... what once... in West... "Giving up... anything," Herr... said. Yet the... pass economic... cannot of... finance... It can... steps... will... that... generates... a... feeling of security?

The split in the French Left

FOR THE last few weeks the parties of the French centre right majority have had the satisfaction of watching a more public showdown between the public leaders of the Left. After split Left could even be dangerous, if it were to provide further stimulus for a realignment of the political parties that excluded both Communists and Gaullists from Government. If Francois Mitterrand, the Socialist leader, and M. Georges Marchais, the Communist Party chief, has certainly taken some of the immediate heat off the Government. While less has recently been heard of disagreements between President Giscard d'Estaing and M. Jacques Chirac, the Gaullist leader, the dispute inside the Union of the Left has spread from the country's nuclear deterrent to encompass a whole range of issues including wages, worker participation and, above all, nationalisation.

Nationalisation The split in the Left is certainly providing the majority with plenty of potential ammunition for next March's general elections. The point is already widely being made that the country is watching a dress rehearsal of what would happen if the Left came to power—with far more damaging effects on the economy and foreign confidence. The Communists' demands for a major narrowing of incomes differentials, tax increases and sweeping nationalisation are bound to cause concern among the middle-class and professional converts to Socialism who have been such an important factor in M. Mitterrand's recent advances. There is as yet no evidence of any major change in voting intentions—the latest polls still indicate 33 per cent support for the Left against 47 per cent for the parties of the majority—but there has been a significant reduction in the number of people who now think the Left is likely to win.

It is, as yet, far too early for the majority parties to start celebrating. There are still six months to go to the elections and the tussle on the Left could soon be forgotten, particularly

MEN AND MATTERS

Hardly knew you, Sir Robin

"Do you think they'll give me a loan at the bank in this?" asked the Lord Mayor of London, Sir Robin Gillett. He was being helped into the clothes of a Saudi sheikh in the improbable surroundings of the Mansion House yesterday. It was all highly authentic, even to the headgear known as a shomogh.

The visitor who had given Sir Robin his new rig—suitably enough wrapped in golden paper—scarcely needs a loan himself. He is Sheikh Abdullah Al Nuaim, mayor of Riyadh, capital city of the world's richest country. His Excellency, as everyone was calling him, had dropped in for tea at the Mansion House; the chat over the tea cups upon which I was allowed to eavesdrop was full of solemn exchanges about the burdens of mayoralty.

But not for Sheikh Abdullah the woes of inner-city decay and financial stringency that harass Britain's civic leaders. In three years Riyadh's population has risen from 450,000 to 900,000 and there seems to be no limit in sight. The Sheikh seems the man to cope with it. Although he lives very much with the changes of to-day, he also has a good perspective on the past; when I asked him how well he knew this country, he told me he read history at King's College, Cambridge.

The last I saw of the two dignitaries was when Sir Robin—still doing his best to look like Valeriano—led the way on a tour of the Mansion House's oil paintings. It must have been a pleasant change for Sheikh Abdullah, who has been dutifully touring Bristol and Birmingham to look at their ways of rubbish disposal. That,

of course, is a sequel to his having given out a £140m. contract to Pritchard Services of Britain and Waste Management of Chicago for keeping booming Riyadh clean.

Visual delights

Contemporary British art is alive and well and may be about to astonish us all with its range and diversity thanks to an exhibition of 197 artists and nearly 400 of their paintings which opens this week-end at the Royal Academy. The entire Academy, by far and away the most elegant and spacious showplace in London, is devoted to showing British Painting 1952-77 and this fact alone delights the Academicians. For years they have disconsolately looked on as this home of painters and sculptors has put on shows of gold coins or archeological treasures other than paintings or sculpture.

Frederick Gnr RA, has chaired the eight-man committee, which selected the artists and their works. He told me: "If this is a great success and the public really come and look and enjoy themselves it will be the greatest day for the Academy. If we are encouraged in this way we shall put on a show like this every three or four years."

Having selected the artists and their works the whole complicated business of hoisting was decided in the space of two week-ends with Gore and his committee and exhibition secretary Norman Rosenthal humping the frames around themselves.

One of the surprising aspects of this exhibition is that it has been put on with a minimum of the politicking usually associated with the art world as artists or their agents

behind at £2,055. Winchester is well ahead at £2,160 and so is Charterhouse—which says that it expects another rise next term. Since many fees have gone up in the past two years much faster than salary increases allowed under the pay code, the public schools clearly rely less these days on mottoes like mens sana in corpore sano than upon the health of the parental cheque book.

An innuendo at one of our grander founts of knowledge tells me that his Latin master has taken to telling layabouts who cannot even conjugate amo: "Don't you realise that this is costing your father £5.55p a day!"

Time machine

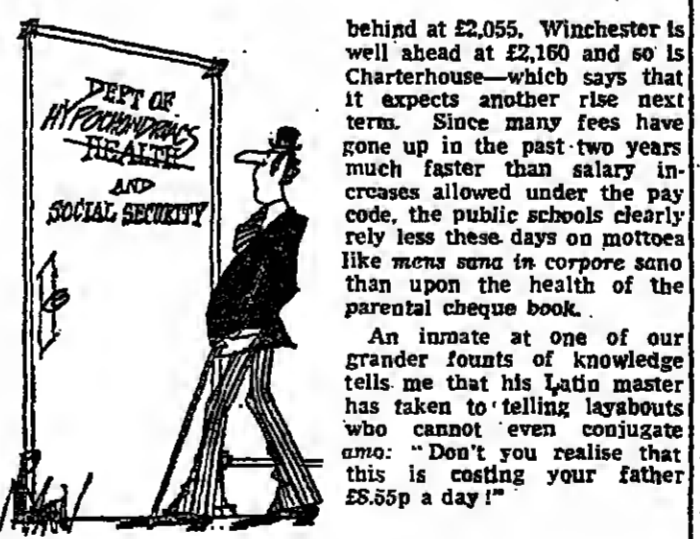
French Railways, like French drivers, have always had a reputation for eating up the miles at breakneck speed. So it comes as somewhat of a surprise to learn that the SNCF, France's equivalent of British Rail, has ordered all its trains to stop for one hour at 3 a.m. on Sunday so as not to arrive ahead of schedule. The reason is that French summertime ends at that moment and clocks will be put back one hour. Thus is gallic logic satisfied.

Costly parenthood

Amid all the high-minded talk about the relationship of our public schools to contemporary society, there has been a more mundane topic in the air at the Headmasters' Conference this week in Oxford: how many more of the top school will break through the Two Thousand barrier in the current academic year? Fees at Eton are now £3,070 a year, and Harrow runs close

Swords into...

At the end of the Labour Party study group's "Sense about Defence" report comes an appendix setting out alternative products for a converted arms industry. Included in the list: farm machinery and equipment.



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OPINIONS TO-DAY

Britain's responsibility in South Africa

2, the Prime Minister House of Commons that in South Africa might have to take any difficult decisions."

announcement, coming in after the Commonwealth Ministers' Conference, is rightly construed as a signal directed mainly at Africa and Rhodesia, but to the British public that the traditional South African kid gloves might be modified as the pressure from black and the U.S. Government. It is clear that black Africa is already talking openly against apartheid, the application of Mr. Callaghan's statement was that the Government was now ready to think about what has been unthinkable—kissing goodbye to a year in exports to Africa and putting at risk indirect investments probably £1.5bn. or more.

remarkable, looking back that this did not cause a furor at the time. A ago, a hint of this kind, a guarded one, would have used a fantastic row, every Conservative MP, an screaming "sell-out" and available inch of the corollary columns crammed with roscions letters about the mist menace in Southern and the Soviet Navy's to the sea-lanes. This we have certainly had utterings from the Tories and a few warm-up comments from Mrs. Thatcher on her trip to Washington on this—and indeed

almost every other recent aspect of the crisis in Southern Africa—everything has been played, by the standards of recent British history, in an extraordinarily low key.

In one sense this is a vast relief. The "imperial" wing of the Conservative Party have deserved understanding and even sympathy in their recessionary torments of the post-war years, but on the whole their influence on the politics of this epoch has been baneful—not so much because they have tried to slow down the inevitable liquidation of the British Empire as because they have discouraged the British public from looking facts in the face. The less feverish is the emotional temperature in which the Rhodesian question and its ramifications are discussed, the more possible it will be for the British Government to sustain a cool, sensible and influential position.

Insular

Just the same, observing the silence that has actually fallen over the debate, one is bound to ask whether we are not in danger of becoming a bit too detached. In our violent reaction against the imperial excesses and fantasies to which all post-war governments (Sir Harold Wilson's being as bad as any of them) have succumbed, aren't we beginning to retreat into an equal and opposite set of insular fallacies? These errors may take a generalised form. The recent Berrill Report on Britain's overseas representation, for instance, took to my mind a far too restricted view of the scope and uses of "influence" in our present reduced place in the world; and more crudely, one

is constantly confronted by the little Englandism and xenophobia of the extreme Left and Right. Where the particular case of Southern Africa is concerned the futile old demands for physical intervention or moral gestures in Africa that were in vogue on both sides of the political fence from 1955 to 1975, have given way to the fashionable attitudes of 1977: (a) "It doesn't really matter in what happens in Southern Africa" and (b) "Britain can't do anything about it, anyway."

It is easier to demonstrate the absurdity of the first of these propositions than the second. But it seems to be equally difficult to carry conviction on either. The moment people just don't want to know. The last opinion poll carried out on this subject (by Gallup for the Daily Telegraph last February) showed that out of a thousand respondents asked whether they approved or disapproved of the Government's handling of the Rhodesian affair, as many as 32 per cent said "don't know"—by which one may presume that a large proportion meant "don't care."

The dangers of this apathy are worth remembering as the Rhodesian tangle is brought into the unpredictable arena of the British and American Governments hope and believe that a discussion in this forum will help, because it will begin to prepare the way for a credible guarantee of stability during the transition from white to black majority rule. Perhaps they are right. But the whole operation is a risky one, and if things go wrong could actually hasten the moment when the British voters suddenly wake up and demand



Foreign Secretary David Owen (second left) with South African Prime Minister John Vorster and Mr. Pik Botha (right), the South African Foreign Minister.

to know why their politicians were unable to prevent something so painful and unpleasant coming at them from the general direction of Southern Africa.

The pain and unpleasantness could take several possible forms. The most obvious—which I have discussed in this column before—is a massacre in Rhodesia. The prospect is naturally horrendous in humanitarian terms; but there is a political dimension in Britain that neither of the main parties can ignore. The same Gallup poll quoted above found that 43 per cent of the respondents blamed lack of progress in the talks on the future of Rhodesia on Mr. Ian Smith and his colleagues and only 20 per cent, blamed black Africans. But if it ever

came to the point where the British public was treated to a daily television diet of pictures showing the humiliation and slaughter of whites of very large and there are other considerations such as the effect on the gold market and on supplies of uranium from South West Africa to be taken into consideration. Very well, say the realists, that is a large stake for Britain and its loss would affect our standard of living to some extent but it is less, is it not, than the stake we now have in trade with black Africa. If it ever comes to the point (and it quite soon might) the balance of our self-interest will obviously dictate going along with black African political purposes against the South African Prime Minister alluded in June.

The position is far more difficult here than any Little Englander imagines. As I already said, the British investment in South Africa is very large and there are other considerations such as the effect on the gold market and on supplies of uranium from South West Africa to be taken into consideration. Very well, say the realists, that is a large stake for Britain and its loss would affect our standard of living to some extent but it is less, is it not, than the stake we now have in trade with black Africa. If it ever comes to the point (and it quite soon might) the balance of our self-interest will obviously dictate going along with black African political purposes against the South African Prime Minister alluded in June.

True. But this is not the end of the argument. What happens but also in trying to control the sanctions on South Africa by the UN drives South Africa to desperation and aggression and in particular, obliges her to develop nuclear weapons? What becomes of British interests and trade with black Africa in the context of a major conflagration? Would a Conservative British Government dare to veto a UN sanctions resolution backed by the U.S. and the whole of black Africa? And if it did not, could it survive the wrath of its supporters?

All these questions suggest that even on the most parochial political calculations, the Southern Africa debate is very close to home. And it is, indeed, the slow realisation of that fact that has caused a Labour Cabinet to allow Dr. Owen to get so deeply involved in the business of trying to prevent these appalling choices ever having to be made. Things have moved quite a long way since the mid-summer when the Chancellor and others shot down the idea of a Commonwealth force to hold the ring during the Rhodesian change-over. They have not, however, moved far enough to prevent the sceptics falling back from their second line of defence, which is: "All right. Maybe it really does matter what happens down there. But don't let's kid ourselves we can affect the outcome."

This, it seems to me, is a claim that Dr. Owen can reasonably make. It is highly doubtful whether, in the medium term, the South African regime will, or even can, liberalise fast enough to satisfy black Africa or without bringing about its own rapid internal destruction. The prospect of sanctions is therefore very real. Likewise the chances of settling the Rhodesian question without a holocaust are slim in the extreme. Nevertheless, the worst has been staved off for a few months at least and it is hard to deny that the British Government deserves some credit for it.

An intelligent alliance with the American Administration has enabled a very persuasive campaign to be mounted showing the whites that another retreat is the least of the available evils, and the blacks that a forcible advance would be unnecessarily expensive. The most remarkable element in this exercise has been the persuasion of the Americans to co-operate on these terms: for the U.S. is on an ethical binge which makes delicate diplomatic operations very uncertain. But the net result has been that some time has already been gained and for that, British politicians of all parties should be grateful.

Letters to the Editor

Industrial production

Jr. A. G. Horswill

The index of industrial production is probably being inflated at the present time. It is a material point at a time when the Treasury is to be preparing measures if the economy after a year in which the production outcome of earlier years is seen as disappointing.

procedure for calculating is in each industry sector upon recorded deliveries, which are deflated by the output prices index to arrive at a measure of volume change. At the time, however, the

wholesale prices input index is falling, whereas the wholesale output prices index is still rising. This means that the value added by industry, as the inventory of goods is falling in cost and rising in value, is being understated. This can be demonstrated by deflating delivery values by the wholesale input prices index which is taking account of the most up-to-date raw material and fuel price costs. Over the last four months, the wholesale input prices have been falling at a modestly accelerating rate. The revised "indices" for "all industries" and "manufacturing output" are approximately 1.5 per cent higher than the published indices. Thus, in relation to the level of industrial production is at least a little better than last year.

World traded coal could provide an economically more attractive energy source for Europe than the crash nuclear programmes actually chosen. This view is reinforced from a different angle by the latest annual report of the Natural Environment Research Council, presented by Sir Peter Kent, its retiring chairman. The report points out that while there is already a significant accumulation of radio-active waste there is no way yet discovered of disposing safely of these wastes, and it poses two vital questions: is it possible safely to dispose of radio-active wastes of a specified nuclear energy programme, and if so how, where and at what cost? What would be the effects of various radio-active materials released into the environment accidentally or deliberately?

new child benefit been introduced at a level somewhat nearer that of most of our European partners.

Restricted settlements under Phases One and Two and the Government's failure to make appropriate tax adjustments has meant that over the last two years the increase in take home pay for men with families has been little more than the increase in pocket money for some 18-year-old employees.

As a result of unsatisfactory adjustments in tax allowances over the last decade, families with dependent children now contribute a larger proportion of total income-tax than ever before. The increasing practice of National Bus Company subsidiaries to charge full fare to children travelling to school adds to the burden for many families.

In these circumstances and at a time when the Government is seeking continued wage restraint, it is the duty of the average school meals charges and at the same time further extend means testing can make no sense.

Wholesale prices indices (Change on the month before)	
Output Prices	Input Prices
+1.3	+0.7
+1.7	+0.4
+1.0	-0.9
+1.3	-0.1
+0.9	-1.4

Industrial Production Index			
All industry indices		All industry indices deflated by output prices	
1977	1976	1977	1976
102.5	103.7	103.6	104.3
103.6	105.1	105.8	107.3
100	100	101.9	101.9
101.6	102.8	103.2	104.2
102.0	102.9	103.6	104.5

J. Jacklin's

the President of the District Golf Club

I must take issue with your correspondent (Sept. 18) on the lack of team spirit Tony Jacklin.

I hope that the Foreign Boycott Bill which I intend to re-introduce into the House of Lords in November will assist this understanding.

Lord Byers, House of Lords, London, S.W.1.

so that companies would hesitate to do business with Israel and often decide against it. Israel is one of Britain's best customers. HM Government must ensure that British companies are fully informed about the true nature of the boycott and are given all possible support in resisting it.

For those who do not qualify for an extra £5 per week, this benefit which is worth £3.75 per week (or £2.74 per week over a 52-week year) is lost. Earning an extra £5 per week, however, will also mean paying a further £1.70 per week in income-tax and an additional 25p in social security contributions. Such a family therefore experiences an effective marginal tax rate of 94.6 per cent for a 52-week year.

Extending folly

From Mr. P. Brennan.

Sir.—The revised means test to do business with Israel and often decide against it. Israel is one of Britain's best customers. HM Government must ensure that British companies are fully informed about the true nature of the boycott and are given all possible support in resisting it.

Services from the banks

From Mr. D. Rule

Sir.—One message which comes from the survey of U.K. banking (September 19) is that while the clearing banks in this country apparently recognise that the branch network concept must be reviewed, they are showing something of a lack of urgency in acting.

Whitehall high flyers

From Mr. D. Shapiro.

Sir.—David Chabrehill in writing about entry to the Civil Service (Management Page, September 21) has inadvertently exaggerated both my admiration of the National Office of Administration (NOA) and my influence on the general sub-committee of the expenditure committee.

On the latter point, the general sub-committee visited Paris and the NOA last autumn. My paper on aspects of the NOA system followed rather than prompted the visit; it was submitted in January of this year. It suggested how certain of the NOA desirable features of the NOA system could be adapted for the British Civil Service at relatively little cost.

Importance of coal

From the Director, David Davies Memorial Institute of International Studies.

Sir.—I was most favourably impressed by the good sense of your article of September 21, demonstrating the future importance of coal as an energy source.

As the public generally becomes more educated in financial matters and competition increases both for the investment of funds and to lend money, it is now easier for him to obtain credit facilities from someone when wanted without having to have the track record of a well conducted current account, etc.

Jacklin's spirit

the privilege of refereeing first match out between Clark and Lann and both Tony and his wife through the game ending Howard, when I am a team-minded individual would have stayed at a bed.

On the latter point, the general sub-committee visited Paris and the NOA last autumn. My paper on aspects of the NOA system followed rather than prompted the visit; it was submitted in January of this year. It suggested how certain of the NOA desirable features of the NOA system could be adapted for the British Civil Service at relatively little cost.

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To-day's Events

GENERAL BUILDING Society leaders meet to discuss pressure for a further reduction in mortgage rate.

Second day of meeting in Washington between Mr. Cyrus Vance and Mr. Andrei Gromyko, respective U.S. and Soviet Union Foreign Ministers, for discussions on strategic arms limitation.

Mr. Gerald Kaufman, Industry Minister, and Mr. Joel Barnett, Chief Secretary, Treasury, at conference on nationalised industry, Ambassadors Hotel, W.C.1.

Dr. David Owen, Foreign Secretary, opens new frigate complex, Devonport.

Mr. A. Wedgwood Benn, Energy Secretary, speaks on Government and industry and industrial policy at meeting of Institute of Practitioners in Work Study Organisation and Methods, Council House, Bristol.

Mrs. Margaret Thatcher, Conservative Leader, continues tour of Scotland, which includes meeting northern area newspaper editors.

Mr. James Callaghan, Prime Minister, meets the Pope in Rome.

Mr. Fred Mulley, Defence Secretary, continues discussions in Saudi Arabia.

United Nations Sugar Conference continues Geneva.

United Nations General Assembly in session, New York.

Ninth Antarctic Treaty Conference continues in London.

Widals public inquiry, Whitehaven.

British Veterinary Association conference continues, University College, Swansea.

Headmasters Conference continues, St. Edmund's Hall Oxford.

Great British Beer Festival, Alexandra Palace.

Sir Robin Gillitt, Lord Mayor of London, visits Southampton Boat Show.

EXHIBITIONS

U.S. Housewares Showcase (ends Sept. 27), U.S. Trade Center, W.1.

International Plastics (last day), Birmingham.

British Premium Show (last day), Wembley Conference Centre.

International Filtration and Separation (last day), Olympia.

Dust Control and Air Cleaning (last day), Olympia.

LUNCHTIME MUSIC

St. Stephen Walbrook, Peter Lea-Cox, organ recital, 12.30 p.m.

The new Volvos.

A liability-or reliability.

The risk normally associated with new vehicles is that they are largely an unknown quantity. Not so these new Volvos. Despite being the most technically advanced trucks on the market, their drive lines are already fully operation proven.

Thirteen years ago we proved them before introduction. Then 70,000 trucks on the road proved them. Now we've proved them again over millions of miles. So this time you can take reliability as read. In financial terms your investment is gilt edged. And that's something even your Financial Director will not argue about.

VOLVO

The quiet revolution - its Volvo again of course.

COMPANY NEWS + COMMENT

Dunlop forecasts profit reduction

External sales of Dunlop Holdings advanced by 20 per cent to £43.2m. for the first half of 1977 and pre-tax profit was £1.3m. higher at £31.6m.

At the operating level, profit was up by 7 per cent, at £43.2m. or £19m. adjusted for inflation.

Trading results in the U.K. showed a marked improvement, but the Dunlop French and German tyre companies both incurred substantial losses—in France this was largely due to price control. In Germany fierce price competition and imports were the main cause of the problem.

Most of the companies outside Europe achieved significantly better results but Dunlop India encountered severe competitive pressures and Dunlop Nigeria was affected by industrial relations difficulties, reports the directors.

The outcome for the full year will depend on movements in exchange rates and trading conditions in France and Germany but present indications are that the second half will show a moderate improvement over the first half, they add.

On capital increased by the rights in May, which raised £26.2m., the net interim dividend is raised from 1.25p to 2.5p per 50p share, representing half the forecast total for 1977. It absorbs £3.7m.

Dividend total for 1976 was 4.55p and profits £69.1m.

Company	Page	Col.	Company	Page	Col.
Armstrong Equipment	20	2	Giddings & Lewis	20	4
Berger Jensen	25	3	Harris & Sheldon	22	2
Bowring (C.T.)	21	1	Hewitt (J.) Fenton	22	5
Bradwall	25	3	Magnet & Southern	20	5
British Printing	24	1	Mickey (Hugh)	20	7
Brown Boveri Kent	22	7	Perry (Harold)	25	1
Bury & Masco	25	4	Pickles (Wm.)	22	8
Cavenham	24	7	Prudential Assc.	22	4
Cedar Holdings	22	4	Ransomes, Sims	21	4
Chernosev Ests.	25	2	Rowan & Boden	21	4
Crosby House	22	1	Small & Tidmas	20	7
Delta Metal	22	6	Spear & Jackson	20	5
Dowling & Mills	22	3	Sykes (H.)	22	5
Dunlop Holdings	20	1	Vickers	20	7
Ferry Pickering	20	8	Whittingham (Wm.)	21	3
Gen. Investors	21	2	Wilk. Warburton	20	4

Advance by Armstrong Equipment

AFTER RISING from £1.81m. to £2.71m. in the first half, pre-tax profits of vehicle suspension manufacturers, etc. Armstrong Equipment finished the year to July 3, 1977, ahead from £4.29m. to £6.26m. on turnover of £97.43m. compared with £43.43m.

Full year earnings are shown to be up from an adjusted 4.99p to 6.5p per 10p share and the final dividend is 1.302p net lifting the total from 1.825p to 2.027p on capital increased by last September's one-for-one rights issue.

Turnover for 1977-78 97.43m. 1976-77 67.47m. £4.29m. £1.81m. £6.26m. £2.71m. £97.43m. £43.43m. £1.302p £1.825p £2.027p

The directors say the company has made its expected increase in turnover and earnings and continues to make substantial progress in all major divisions. Its future remains bright and it should continue its growth pattern over future years, they add.

Wilkinson Warburton lower

Due primarily to poor summer trading conditions which resulted in lower sales than anticipated, and higher closing stocks, pre-tax profit of Wilkinson Warburton dropped from £219,112 to £164,799 for the first half of 1977.

The directors report that current sales are encouraging and they hope to achieve a satisfactory second six months, traditionally the better half.

	Half year	1977	1976
Sales	7,768,784	6,433,567	6,433,567
Trading profit	337,196	502,590	502,590
Interest payable	(12,524)	(16,728)	(16,728)
Depreciation	(1,112)	(2,110)	(2,110)
Profit before tax	144,799	219,112	219,112
Tax	(21,800)	(18,230)	(18,230)
Net profit	122,999	200,882	200,882
Preference dividends	(3,743)	(5,745)	(5,745)
Ordinary dividends	(17,696)	(26,768)	(26,768)
Reserves	1,888,678	1,548,112	1,548,112

After £1.64m. waiters.

Stated earnings per 25p share are 2.88p (4.01p) and the net interim dividend is kept at 1.6p. Last year's total was 4.5p and profits £10,234.

Ex-Abrasives chief loses but fights on

Mr. Colin Ashworth, until two years ago chairman of Abrasives International, the Warwickshire surface finishing equipment manufacturers, has lost the second round of his fight to regain control of the company from his brother Stewart.

At an extraordinary meeting in Birmingham yesterday, he attempted to dismiss his brother and the rest of the Board and replace them by four new directors including himself. The dismissal motion failed by 1.7m. votes to 294,000. The appointments resolution failed on a technicality—it had not been lodged in time.

After the meeting Mr. Colin Ashworth said that he would be calling another extraordinary meeting. This would be his third attempt at ousting his brother during three years of bitter family in-fighting. His first was to have been at the group's annual meeting last May, but his flight from Guernsey was delayed by fog and he arrived just as the meeting was finishing.

One of the main reasons for seeking to change the Board, according to Mr. Ashworth, was the poor performance of the company. In 1976 profits were £16,000 compared with a peak of £176,000 in 1974. At the extraordinary meeting, however, the Board forecast profits of about £80,000 for this year.



Mr. Edgar Bowring, chairman of C. T. Bowring—first half 1977 profits up 30 per cent. and record year forecast.

Vickers warning on second half

ON SALES of £231.12m. compared with £202.82m., Vickers lifted pre-tax profits from £14.59m. to £16.55m. for the first six months of 1977 but has warned that the second half is expected for all 1976 a record £38.5m.

Lord Robens, the chairman, says that these businesses not subject to nationalisation, together achieved increased profitability. Continuing capital investment in generating additional capacity in the manufacturing facilities and this has enabled the group to secure substantially increased export orders and also provides for further anticipated growth in demand.

The company's interests in British Aircraft Corporation and its shipbuilding activities were visited on April 29 and July 2 respectively and the unaudited results of these businesses, up to the relevant dates, have been included in the figures.

Interest on compensation will accrue from the ending date but the amount of compensation has not yet been determined and the Government has not announced the rate of interest which will apply, no credit has been taken in the results.

It is hoped the negotiations will have progressed to a stage where a view can be taken before the publication of the 1977 results but it is clear says the chairman that such interest will fall short of the profits generated by the two businesses. Consequently pre-tax profits in the second half will not match those earned in the first half.

First-half earnings are given as 17.5p (14.7p) per £1 share and the interim dividend is lifted from 3.5p to 3.85p. The last year's total was £7,866 paid from stated earnings of 40.2p.

Peak £0.81 by Ferry Pickering

Taxable profits at its packagers and publishers, Pickering Group expanded £59,375 to a peak £75,905 for year to June 30, 1977. This advanced from £3,500 in 1976. At a company-wide meeting, profits up by £100,000 to £1,000,000. The directors looked forward to the progress being maintained in the industry generally. Stated full year earnings of 10p share are up from 7.60p to 8.60p and a final dividend of 1.5607p lifts the total to 2.5075p net. A one-for-one issue is also proposed.

At a meeting of the directors, minority £296 (£512) gave a credit of £154,776 (£200,000) to the profit retained was £161,597.

Muar River jumps to £900,301

Estates turnover for the Rubber Company expanded £1.1m. to £2.02m. and the available for appropriation fore tax advanced from £1,000,000 to £1,000,000. The final dividend is 1.55p to the maximum of 1.7314p net per 10p share. Three-for-one scrip issue proposed.

Stated earnings per 25p share are 2.88p (4.01p) and the net interim dividend is kept at 1.6p. Last year's total was 4.5p and profits £10,234.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding div. %	Total %	Total last year %
C. T. Bowring	0.91p	Nov. 21	0.81	2.03†	2.94
Armstrong Equipment	1.31	Jan. 5	1.17	1.83	1.83
British Printing	1.1p	Nov. 18	0.51	1.25	1.25
Brown Boveri Kent	0.76	Dec. 16	—	—	—
Bury & Masco	1.24	Nov. 7	1.24	4.24	4.24
Chernosev (EBIS)	0.73p	Nov. 17	—	—	—
Crosby Hse.	5.35	—	5.35	9.35	9.35
Delta Metal	1.52	Jan. 3	1.82	1.08	1.08
Dowling & Mills	0.58	Nov. 18	0.51	0.59	0.59
Dunlop	2.65†	Jan. 3	1.95	4.65	4.65
Ferry Pickering	1.56	Oct. 11	1.33	2.6	2.6
General Investors	1.6†	Oct. 31	1.4	3.4	3.4
G. T. Japan Inv.	0.5	Oct. 26	0.75	1.0	1.0
Harris & Sheldon	1.41	Nov. 10	1.27	2.68	2.68
Jetonic (Holdings)	0.55	Dec. 6	0.51	0.59	0.59
Hugh Mackay	1.4	Nov. 18	1.4	3.25	3.25
Muar River Rubber	1.73	Nov. 24	1.55	1.73	1.55
Nigerian Elec.	5.08†	Nov. 28	4.55	11.59	11.59
P. Ferry Motors	2.47	Dec. 8	2.21	4.56	4.56
William Pickles	0.29	Dec. 31	0.26	0.66	0.66
Prudential Assur.	2.45†	Nov. 17	2.4	5.65	5.65
Ransomes Sims	1.4	Nov. 23	0.5	1.38	1.38
Rowan & Boden	0.55	—	1p	2p	2p
Small & Tidmas	1.1	Jan. 6	1.58	7.38	7.38
Spear & Jackson	3.58	—	2.03	5.61	5.61
Tripletest	2.31	Jan. 9	3.5	5.81	5.81
Vickers	3.55	Jan. 9	3.5	7.05	7.05
Wilkinson Warburton	1.6	Nov. 2	1.6	4.5	4.5

Small & Tidmas first half deficit

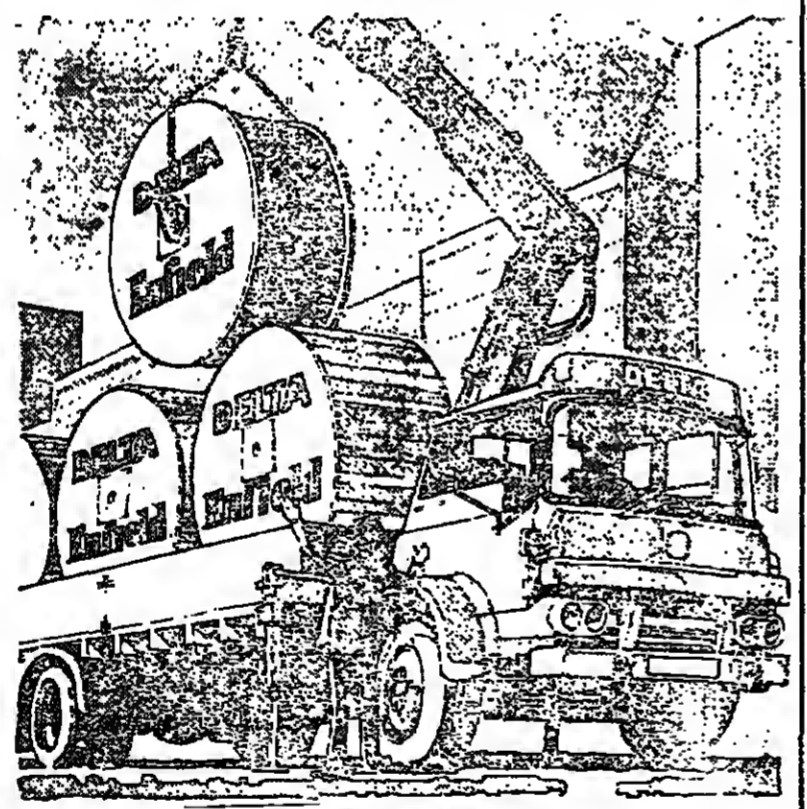
Deteriorating profit margins in the half year to June 30, 1977, have left knitted fabrics maker John C. Small and Tidmas with a £12,215 pre-tax loss compared with a £20,000 profit last year. Directors say the expected recovery in the textile trade did not materialise owing to very poor 75 per cent. with the consumer demand in the U.K. which squeezed margins. Directors say the expected recovery in the textile trade did not materialise owing to very poor 75 per cent. with the consumer demand in the U.K. which squeezed margins.

Southwark poor response

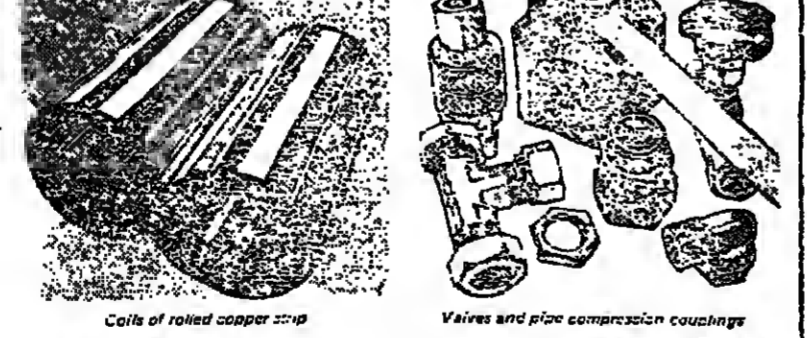
The London-based Southwark Group of 23 11th Redemable Stock 10p BRIDONE shares, which were issued in 1976, has had a poor response. The application for shares was closed on August 10, 1977, and the company will be the only one to have been allotted.

DELTA Interim Results

Unaudited pretax profits at £13.41 million 33% up on corresponding period last year. Better U.K. profits partially offset by lower overseas profits. Exports 39% up over first half of last year.



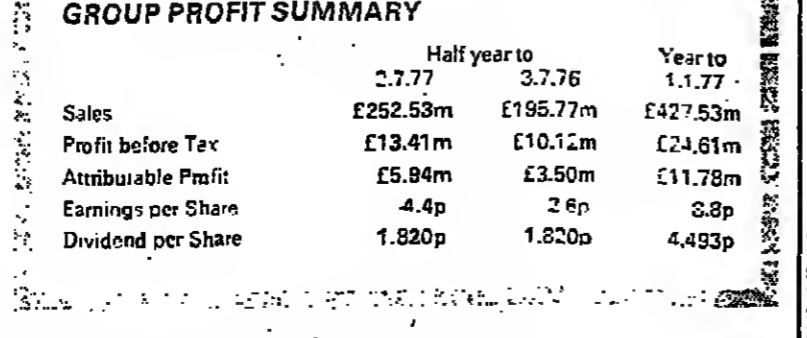
Loading Delta Erifield power cables



Coils of rolled copper strip



MEM Switches and motor control gear



"Silver Spa" domestic water fittings

Spear & Jackson £1m. halftime

PRE-TAX PROFITS of steel, saw and hand tool manufacturers Spear and Jackson International leapt from £0.38m. to £1.02m. for the 26 weeks to July 2, 1977, on turnover ahead by £4.33m. to £11.13m.

The directors say that first-half progress has been up to expectation and they reaffirm that they will be very disappointed if profits for the full year do not materially exceed the £1.41m. for 1976.

	First-half	1977	1976
Turnover	11,130,000	5,990,000	6,660,000
Trading profit	1,020,000	380,000	380,000
Pre-tax profit	1,020,000	380,000	380,000
Tax	(100,000)	(100,000)	(100,000)
Net profit	920,000	280,000	280,000
Dividend	(50,000)	(50,000)	(50,000)
Reserves	1,370,000	1,370,000	1,370,000

Includes loss on disposal of 100 shares of 10p each, £10,000. Includes exchange rate losses, £100,000. Stated earnings per 40p share advanced from 9p to 13.5p for the half year and the interim dividend is raised to 3.575p (1.38p) net—last year payments totalled 7.38p per 50p share.

comment

Interim profits from Spear and Jackson hardly inspiring. After a £190,000 loss in Sweden pre-tax profits are marginally lower than the preceding six months, and it now looks as if some of the higher market prices about 40 per cent. of turnover. The industrial side on the other hand has picked up, though overall volume is patchy and France and Germany are still considered slack areas. The company is encouraged by the rise in retail sales and by the trend continues the final quarter, when the group makes the bulk of its sales for the spring season, could put group near to £1.3m.-£1.4m. pre-tax in the second half. On that basis the prospective 1977 is probably at least £1.1m. while the forecast dividend yields 9.1 per cent. Meanwhile Spear and Jackson is still heavily geared with borrowings currently equal to 90 per cent. of shareholders' funds, though debt levels are gradually declining.

Magnet & Southern in good shape

Mr. S. Oxford, the chairman of Magnet and Southern said at the AGM that management accounts for the first five months of the current year show that sales were up by approximately 9 per cent., with profits only slightly lower than for the same period a year ago. The comparisons are better than they seem, in that the first five months of this year have been little influenced by increased values or by stock profits. I think this is an encouraging situation and again underlines the logic of our merger.

... We are now beginning to see a little improvement in the private sector and also an increase in Home Improvement sales through our depots.

... I am pleased to tell you that we expect to complete the purchase of another Dutch timber company within the next two weeks or so. This will be a very useful addition to our already attractive Dutch operation.

... In general, the outlook is very much as I saw it when writing my Statement, but I would emphasise that the Group is in very good shape and well capable of benefiting from any upturn.

TREASURY STOCK

The list of applications issued of £800m. of 8 1/2% Treasury Stock 1982, open closed yesterday. The full of stock offered has been taken up by the applications in public have been allotted.

SHARE STAKES

Property Security in Trusts following the 100,000 shares. Harper Investments is now interested in 2 shares (18.5 per cent.). RBE Industries. Pr Assurance Company now holds 2,226,550 Ordinary shares per cent.). View Forth Investment London and Manchester Assurance has acquired a 102,000 shares plus 37,524 3 1/2p paid from depressed profits acquired on behalf of subsidiary Welfare Insurance now held by group is £21,000 (25,000) leaving a net profit of £100,000 (£27,000).

THE DELTA GROUP

A major international group manufacturing building products, electrical equipment, engineering components & non-ferrous metals.

Copies of the full interim report and Lord Caldecote's statement to Shareholders are available from the Secretary, The Delta Metal Company Limited, 1 Kingsway, London, WC2B 6XF

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Crosby House sues Thos. Cook

LOSSES OF £1m. for the year and a claim for "substantial" damages against the Thomas Cook Group, were announced yesterday by freight forwarders, Crosby House Group.

The claim for damages is related to Thomas Cook Freight, a freight hauling company which Crosby bought for £11 million (plus vendor's expenses) in January. At the time the freight company was said to be breaking even though it had bad debt provisions of about £350,000 partially offset by fixed assets of £110,000.

Yesterday the chairman of Crosby, Mr. M. J. Walsh, said that there "appeared to be a shortfall both on the trading and the asset fronts" at Thomas Cook Freight. As a consequence, Thomas Cook has acknowledged receipt of a claim for substantial damages which was issued last week.

In addition to the damages claim announced yesterday, Crosby also revealed pre-tax losses of £258,000 for the year to December 31, compared with profits of £372,000 in 1975. At the half-time stage a £14,000 loss was reported.

Turnover was £9,642,000 (£9,820,000) and tax was £11,000 (nil). There was an extraordinary credit of £131,000 (debit £498,000), leaving a loss of £147,000 (loss £126,000). Losses per share are 35p (earnings 47p). The company intends to give a final dividend of 5.35p making 9.35p for the year (9.35p).

comment

Since the Thomas Cook Freight purchase took place after the year end the £1m. loss for the year at Crosby House is solely due to conditions in the original group. The

freight handling side made the heaviest losses (£170,000), due to declining business and extra provisions against bad debts. But there were also losses on the container repair and exhibition stand contracting sides. In addition the continuing hangover of the Sri Lankan trader resulted in technical adjustments amounting to a net debit of £34,000 above the line.

The new management does not appear to be producing results. The freight hauling industry has not been buoyant, certainly, but Crosby has been worse affected than other divisions' results look like. There is little sign of improvement and the next set of figures will include apparently heavy losses from Thomas Cook Freight. After falling to 108p yesterday the shares closed at 115p where they yield 13 per cent.

created by the maximum allowed to 1.43p (1.265p) per 25p share. Last year's goal was 1.306p. Net profit emerged at £608,000 (£596,000) after tax of £659,000 (£646,000).

Dowding & Mills up to £1.43m.

TURNOVER of electrical and mechanical engineers, Dowding & Mills, expanded from £7.54m. to £9.5m. for the year to June 30, 1977, and pre-tax profits advanced from £1.1m. to £1.43m.

In April, reporting a first half increase from £9.5m. to £10.72m., the directors said they expected full year results to be well in excess of those for 1975-76.

After tax of £767,231 against £533,008, full year earnings are shown to be up from 1.70p to 2.19p per 5p share and the dividend is lifted from 0.963p to 1.075p net with a final of 0.38p.

comment

Pre-tax revenue of investment trust Triplevest increased by £100,000 to £572,537 in the six months to August 31, 1977. Gross income was up from £311,236 to £1,013,104 and tax takes £171,657 (£283,738).

Net asset value of the £1 per share increased from 171.13p to 201.1p. Interim dividend is lifted from 2.025p gross to 3.312p net.

Harris & Sheldon steady

FIRST-HALF 1977 pre-tax profits were little changed at £1.27m., compared with £1.24m. on external turnover up from £13.21m. to £18.12m.

The directors state that there has not, so far, been any general improvement in trading conditions in 1977 and so they anticipate that the full year's profits will be similar to the record £3.24m. for 1976.

The net interim dividend is in-

Pru profit on underwriting

COMBINED short term and long term general insurance results of The Prudential Assurance Company for the first half of 1977 show premiums at £183.5m. compared with £158.1m. for the first half and £221.9m. for all 1976; an underwriting profit of £2.5m. before tax against losses of £3.8m. and £10.2m. and investment income before tax of £15.5m. against £13.5m. and £30.2m.

The directors emphasize that conclusions as to the full year results cannot be drawn from the first half figures.

The improvement in the underwriting results arose principally from the continuation of the improving trend in overseas operations. The Canadian business maintained its recovery, there was a welcome return to profitability in Australia, and South African business showed a reduced underwriting deficit. The better trend extended to the business written by Mercantile and General and L'Escout, say the directors.

In the U.K. profits from long-term general business, and from the commercial account and the motor account were more than sufficient to offset continuing adverse experience on the domestic account, which is still suffering from insured values lagging behind the rate of inflation and from subsidence claims, although these have been on a reduced scale.

As a result of the acquisition of Standard Trust on April 22, 1977, the interim dividend of £0.4m. has been included.

The interim dividend is lifted from 2.2p to 2.45p net per 5p share. Last year's total was 2.35p and a deferred dividend of 0.055p is now declared for 1976, following the reduction in A.C.T.

As reported on July 8, life assurance results for the half year show a net profit of £1.2m. on income of £3.5m.; single premiums and annuity considerations at £40.2m. (£34.5m.); sums assured £2,999m. (£3,020m.); and annuities per annum at £41.1m. (£50.5m.).

comment

The recovery in Pru's general underwriting performance from last year's adverse results has come much quicker than expected, thanks to better results in Canada, Belgium and the Netherlands. The second half has traditionally produced inferior results from the underwriting activities so that only a small underwriting profit can be looked for this year. Growth in investment income has been held back by the weakness in the Canadian dollar and a 10 per cent. increase can be

expected, which with a full year from Standard Trust should yield £38m. Allowing for the usual increase in life profits, shareholders could look forward to earnings of about £35m. roughly 12p per share. The market was impressed by the results and the share price put on 5p to 139p. This gives a prospective p/e of 13, the average for the life sector and well ahead of comparable composites.

H. Sykes up to £1.1m. at midway

FIRST HALF 1977 pre-tax profits of pump manufacturers Henry Sykes, an unquoted company, jumped from £733,000 to £1,124,000 on sales of £9.54m. compared with £5.9m. Profits for all 1976 reached £1.78m.

Mr. Anthony Hepper, the chairman, says that such an exceptional advance will be difficult to repeat. Nevertheless he expects the steady growth to be maintained and full year results should show a satisfactory increase.

The second half has started well with full order books. More than one third of turnover is now overseas so there is no longer complete dependence upon the U.S. economy.

The interim dividend is raised from 0.5p to 0.55p per 25p share. Stated earnings were 6p (4.7p).

Other disappointments of £12,000 ordinary items came to £312,000 (£445,000).

In August it was announced that Hambros Bank and The National Coal Board Superannuation and Pension Funds had acquired 21.95 per cent. of the equity from Hanson Trust, ICPC and other investors. The share price fell to 37.71p at the end of 1976.

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Delta Metal up 33% to £13.4m. half time

PRE-TAX PROFITS of Delta Metal Company for the first half of 1977 rose by 33 per cent from £10.12m. to £13.41m. on turnover up by £56.76m. to £232.53m.

Lord Caldecote, the chairman, says that UK profits, though still inadequate, showed a substantial improvement but this was partially offset by lower overseas profits. In present circumstances he does not expect that second-half profits to compare as well as with those for the first as they are kept at a reasonable level and interruptions in production are avoided. He says that profits for 1977 should be higher than the £24.81m. for 1976.

There is ample spare capacity in most areas of the group and it is well able to take advantage of any increase in demand, the chairman states.

Lord Caldecote explains that the group's UK companies were helped by some improvement in home demand for semi-manufactured products, engineering components and electrical equipment, and by substantially higher exports. In results were not as major U.K. subsidiary, the disruption lasted about four weeks.

Exports again showed an encouraging improvement, with an increase of £5m. of working capital in the first half of last year, and 20 per cent. over the second half, the chairman says. The Middle East was a particularly good market for electrical and building products, and valuable new business was obtained in the U.S.

Overseas the group's Australian companies achieved good results. Trading margins, which in 1976 were adversely affected by the substantial write-offs in one subsidiary, improved to more than 10 per cent. of sales. Orders were maintained at a satisfactory level, but economic conditions in South Africa and in Brazil reduced profits from the group's other subsidiaries and associates, he adds.

Earnings per 25p share, calculated by reference to the weighted average of shares for each half year, are stated to be up from 2.5p to 4.4p, the interim dividend is maintained at 1.82p net. Total for last year was 4.93p.

The directors point out that it is not the practice to deal with metal profits and losses until the year end when any amount to be transferred to or from metal price contingency reserve is decided. The reserve at present amounts to £53.5m. Metal losses for the half year are £9,540,000 against £8,220,000 (after a "tax relief" of £28m. (£3.12m. charge) the net metal losses

emerged as £0.26m. (£3.04m. profits).

comment

While failing to maintain the levels of last year's strong last quarter, Delta Metal has increased first half pre-tax profits by a third despite problems overseas, mainly in South Africa and Brazil. The exposure to slack building sector orders, have traded in line with expectations and the potential for 1978 remains, with work on semis running at only 70 per cent. capacity. But for the second half there is little chance of anything like the 43 per cent. growth shown over the last two six-monthly periods. With various funding arrangements Delta reckons to have now got its exposure to metal prices, which peaked at £100 on the copper price once down to around \$3m. But in the first half, before the benefits of the sharp price fall, with higher turnover and some deliberate stock-building, there was still a cash outflow, though not as the rate of last year's £16m. With the unlikelyhood of a quick recovery in South Africa, the prospective p/e at 70p may not be much below 8.

be a further improvement in the second half. The interim dividend is per 35p share, and the directors expect to recommend a 5p to make the maximum possible total. For the months to end 1976 a final was paid. On a net basis, as are shown at 2.97p (3.44p share).

Halftime growth for Pickles

TEXTILE GROUP Pickles and Co. increased profit 12.5 per cent. to £1.1m. in the half year to June 30, on a 16 per cent. turnover to £11.5m.

Growth in export turnover, £860,882 to £1,374,977 and continuing sales rise and constant trend directors reported: 1976 year when export turnover jumped 59 per cent. to £1.2m. Interim dividend is lifted 0.25p per £1 share to 0.25 per share compared with 0.15p in the corresponding period of the previous year. Last year's total profit of 0.69p from profits of 0.59p before tax.

Mr. C. Harold Buckman, chairman, says the serious drop in retail trading in May resulted in a drop in gross profit in these months. "It was disappointing after a year of record retail sales," he says. "But the Manchester-based firm has opened the second half with a 15 per cent. increase on the previous year and progress is expected to be maintained, subject to any further beyond its control."

Progress at Brown Boveri Kent

FIRST HALF 1977 results of Brown Boveri Kent, the holding company of the George Kent Industrial Instrument and Process Control group, show turnover of £3.8m. and pre-tax profits of £230,000. For the nine months to June 30, 1977, the figures were £47.4m. and £3.04m. respectively.

Compared with the same six months of 1976 sales increased by 23 per cent. with sales of the U.K. subsidiaries rising by 19 per cent. Trading margins, which in 1976 were adversely affected by the substantial write-offs in one subsidiary, improved to more than 10 per cent. of sales. Orders were maintained at a satisfactory level, but economic conditions in South Africa and in Brazil reduced profits from the group's other subsidiaries and associates, he adds.

Earnings per 25p share, calculated by reference to the weighted average of shares for each half year, are stated to be up from 2.5p to 4.4p, the interim dividend is maintained at 1.82p net. Total for last year was 4.93p.

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Westwood Dawes ahead at mid-term

Announcing first-half 1977 turnover up from £0.85m. to £1.1m. and an advance in pre-tax profit from £42,230 to £78,514, Mr. J. G. Vaughan, the chairman, says that although the latter order book is fair, it is unwise to anticipate results in excess of those shown in the first half. The strengthening of the pound and the consequent economic situation in the U.K. necessitates a cautious view of longer term prospects. The directors are confident that there will be a recovery in 1978.

UNITECH

Continued Growth Profits exceed £2,000,000

In the year ended 28th May 1977:

Sales increased from £19.5m to £26.6m — up 36%
 Profit before tax increased from £1.4m to £2.1m — up 46%
 Earnings per share increased from 4.9p to 7.3p — up 49%
 Recommended total dividend of 3.61p net, twice covered — up 10%

Over the past five years:

The future:
The current year has started well, with demand ahead of last year indicating another year of increasing sales and profits.

Copies of the Report and Accounts are available from the Secretary, Unitech Ltd., Phoenix House, Station Hill, Reading, RG1 1NB, Berkshire.

A Group of companies marketing and manufacturing a range of electronic components and equipment.

UNITECH LIMITED

J. Hewitt falls in first half

Taxable profits of industrial and domestic refractory manufacturers, J. Hewitt and Son (Feaston), fell from £98,000 to £66,000 for the first six months of 1977. Turnover increased to £1.12m. against £0.95m.

After tax of £34,000 (£31,000) net, half-year earnings per 5p share are £1.14 stated to be up from 1.20p for all 1976. A 0.92p net dividend was paid from 0.25m.

Cedar Holdings improves

AFTER A reduced loss of £13,000, against £14,000 on property operations and including a release of £170,000 from the finance cost provision, pre-tax profits of Cedar Holdings rose from £499,000 to £595,000 for the year to June 30, 1977.

After tax and extraordinary credits the net profit is up from £173,000 to £249,000, and the consolidated net deficit is cut from £1,018,000 to £608,000.

Mr. Simon Coorsh, the chairman, says the result was achieved against a background of exceptionally high interest rates and rising operational costs. At the same time during the year the lending portfolio was reduced which enabled further payments of borrowings to be made to the company's supporting institutions.

The institutions are Electric Supply Industries, Pension Funds which owns 21.8 per cent. of the equity, National Coal Board Superannuation and Pension Funds with 19 per cent., Phoenix Assurance Company with 11.3 per cent., and the Commercial Union Fund with 10.7 per cent. and Barclays Bank.

Mr. Coorsh says that during the year the programme to rationalise and streamline operations has been continued. The group has now sold the two strips of land held in the Bahamas and the liquidation of Alexander's Stores in Scotland has been completed. A new subsidiary company, Phoenix Assurance Company, is concentrating solely on banking activities operating only from its London address.

Media Hotels in Wellington, New Zealand, in which Cedar has a 30 per cent. interest continues to develop on a satisfactory basis and is making a contribution to profits.

As the net deficit stands at £269,000 the Board considers it advisable not to declare a dividend on either the Preference or Ordinary capital.

Bowring

Profit announcement for the Half Year ended 30th June, 1977

The unaudited Consolidated Group Profit after convertible loan stock interest for the six months to 30th June, 1977 is £14,951,000, as against £11,536,000 for the six months to 30th June, 1976.

	6 months ended 30.6.77	6 months ended 30.6.76	12 months ended 30.6.77
	£'000	£'000	£'000
Turnover	548,782	436,752	945,030
Consolidated Group Profit	14,951	11,536	25,847
Taxation	7,785	5,896	13,120
Profit after taxation	7,166	5,640	12,727
Minority	204	252	526
Preference dividend	6,962	5,388	12,201
	5	5	11
Extraordinary items	6,957	5,383	12,190
			3,983
Available for Ordinary Shareholders	6,957	5,383	16,173

Available for Ordinary Shareholders

6,957 5,383 16,173

RESULTS FOR SIX MONTHS ENDED 30TH JUNE 1977

- The Company's unaudited results for the six months ended 30th June 1977 show a pre-tax profit of £16,584m compared with £14,589m for the corresponding period of 1976.
- These businesses not subject to nationalisation, together achieved increased profitability. Continuing capital investment is generating additional capacity in our manufacturing facilities. This has enabled us to secure substantially increased export orders and also provides for further anticipated growth in demand.
- Under the provisions of the Aircraft and Shipbuilding Industries Act 1977, the Company's interests in British Aircraft Corporation and shipbuilding activities vested on 29th April and 1st July respectively, and the unaudited results of these businesses, up to the relevant dates, have been included in the six months' figures.
- The Act provides that interest on compensation will accrue from the vesting dates, but since the amount of compensation has not yet been determined and the Government has not announced the rate of interest which will apply, no credit has been taken in these results. It is hoped that negotiations will have progressed to a stage where a view can be taken before the publication of the 1977 results. However, it is clear that such interest will fall short of the profits generated by these two businesses. Consequently the Company's pre-tax profits in the second half of the year will not match those earned in the first six months.
- At their meeting to-day the Directors decided to declare an interim dividend of 3.85p (1976 3.5p) per £1 ordinary stock equivalent, with associated tax credit, to 5.833p gross (1976 5.364p gross). The dividend, which will cost £1,684m net, will be paid on 3rd January 1978 to stockholders on the Register at 1st December 1977.

ROBENS
Chairman

22nd September 1977

VICKERS

RESULTS FOR SIX MONTHS ENDED 30TH JUNE 1977

	Half-Year Ended 30th June	Year Ended 31st Dec
	1977	1976
	£'000	£'000
Vickers Limited Unaudited half-year's results		
Sales (Note 1)	231,118	202,815
Consolidated trading profit after depreciation (Note 2)	14,614	11,759
Investment income	41	97
Interest payable	(5,684)	(4,462)
Consolidated profit before taxation	8,971	7,403
Share of profits of associated companies (Note 3)	7,611	20,896
Profit before taxation	16,584	28,299
Taxation	8,000	7,300
Profit after Taxation	8,584	20,999
Minority shareholders' interest	601	658
Stockholders' profit before extraordinary items	7,983	20,341
Preference dividends	191	189
Ordinary stockholders' profit before extraordinary items	7,792	20,152
Earnings per £1 of ordinary stock	17.8p	40.2p

Notes:
 1. Includes Shipbuilding sales
 2. Includes Shipbuilding profit after depreciation
 3. Includes share of profits of British Aircraft Corporation

Vickers Limited, Vickers House, Mutton Lane, London SW1P 4RA

VICKERS

RESULTS FOR SIX MONTHS ENDED 30TH JUNE 1977

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ROBENS
Chairman

22nd September 1977

C. T. Bowring & Co. Ltd

The Bowring Building, Tower Place, London EC3R 3BE

22nd September 1977

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Metal up 3.4m. half...

SHARES AND DEALS

attle looms as Eruehauf comes back for Crane

Corporation of the U.S. has a fresh effort to buy two thirds of the Crane Fruehauf trailer and container...

Eruehauf shares closed at 63p on 6p - evidently that 10-night's offer is not of this affair.

ELECTRONIC Electronic Controls and Bank intend to recommend the improved scheme of new to effect the offer by SHE Electronics...

Quicks Record Half-Timer! Norman Quick, Chairman of the H & J Quick Group Ltd. announced new record results for the first six months to June 1977...

Quicks for Ford Copies of the Interim Report are obtainable from the Secretary H & J Quick Group Ltd. 660 Chester Road, Old Trafford, Manchester M16 0GU.

If you can't expand your business where you are, try Milton Keynes. Bejam did. When Bejam decided they simply had to expand, looked at the problem with a completely open mind...

want to expand and can't. Please send me further tails about Milton Keynes and your factory units.

Milton Keynes A new kind of opportunity. For Director of Commerce, Milton Keynes Development Corporation, Watkinson Tower, Milton Keynes MK7 7LX. Tel: 0908 10000/74000.

ERF price falls back on denial

Shares of ERF (Holdings) heavy motor vehicle manufacturers, which raced ahead from 105p to 153p between Monday and Wednesday...

ERF was also announced that the wholly-owned subsidiary of ERF (Holdings) - has changed its name to Cheshire Fire Engineer...

STANDARD CHARTERED U.S. EXPANSION Standard Chartered Bank is paying about \$3m (£2.2m) for a further extension of its coverage in California...

TATE & LYLE APPROACH TO SUGAR LINE Tate and Lyle confirmed yesterday that it is considering an approach, said to be worth about \$2m...

BAZALONI INDIANISATION PROPOSALS In a counter-move to resolutions being put by a shareholder, the Board of Bazaloni Holdings has announced that it intends to make its own proposals for the company's Indianisation...

DAWNAY/FLOREAT Holders in Forest Investment are reminded that the offer by Dawnay Day Group is conditional upon acceptances being received by 3 p.m. on October 3...

SILSI/BSL The offer on behalf of Silsi for the Ordinary capital of BSL for Specialists has been declared unconditional. Acceptances have been received in respect of 507,824 Ordinary shares representing 60.1 per cent of the Ordinary capital...

RHM EXPANDS Rank's Horle McDougall Acquisition has agreed to purchase the Hall Trust for a cash consideration of 2485,000 the capital of Matthew White and Co...

RUNCIMAN DENIAL Walter Runciman has denied that he is considering the disposal of his security engineering subsidiary John Tann Holdings...

ISA BHEEL ISA Bheel Text announces that the offer by Walter Duncan and Goodricke accepted by shareholders representing 90,570 Ordinary shares and 5,382 Preference shares...

ASSOCIATES DEALS On September 1977 De Zoete and Beran carried out the following transactions on behalf of Coalite and Chemical Products bought 1,863,000 Charringtons Industrial Holdings Ordinary shares at 85p...

CLAYTON DEWANDRE The offer by American Standard (U.K.) for the capital of Clayton Dewandre Holdings have been accepted in respect of 12,450,125 shares at 100p...

NO PROBE Secretary of State for Prices and Consumer Protection has decided not to refer the proposed merger between Mardon Packaging International and Curdell Holdings to the Monopolies Commission...

مكازم التحمل The Rio Tinto - Zinc Corporation Limited Report for the half-year ended 30 June 1977

Table with financial data for Rio Tinto - Zinc Corporation Limited. Columns include: (£ millions), First Half 1977, First Half 1976, Year 1976. Rows include: Group sales revenue, Group operating profit, Share of profits of associated companies, Dividends and interest receivable, etc.

Outlook There is an improvement in demand for most metals and an increase in market prices. However, the depressed level, particularly for copper and zinc, remains a concern for the first half of 1977...

Rössing Uranium Significant improvements in operating performance have been achieved in the first half of 1977. During the period the extent of plant modifications necessary to reach full production capacity was completed...

Westinghouse litigation In the US anti-trust proceedings Westinghouse Electric Corporation, which are referred to in note 26 of the 1976 accounts and in which the company and a number of other defendants deny participation and have taken no part in a full agreement on the issue of liability but damages has been sought against the company and other non-appearing defendants...

Dividends The directors have declared a dividend of 1.6825p per share on the 3.325% cumulative preference shares of the company and a dividend of 1.75p per share on the 3.5% cumulative preference shares of the company...

Printed copies of the report are available on request from the company's transfer office, 1 Redcliff Street, Bristol BS1 6NT.

Toshibafax BD-601 advertisement. Features an image of the copier and text: 'Why waste money - here is a new economical plain paper copier. Specifications: Copies on plain paper up to 100 sheets. 30 copies per minute. Automatic paperfeed. Copied edges: 100% white. Weight: 71.9 lbs. Dimensions: 725 x 500 x 350 mm.'

Cavenham
reservations

H. Perry jumps 81% to £1.49m. in first half

RETURNING AN 81 per cent profit for the first half of 1977, H. Perry's profits from 46 to £1,491,203 at Haverhill Motors for the first half of 1977, says Mr. J. F. Macgregor, the man, says that without results for all 1977 will be the record £1.58m. for the year.

Operating in a seller's market without the need for discounts and other promotional activity, so even though the price of new vehicles is higher, the profit margin is 81 per cent, up from 74 per cent in the first half of 1976. The contribution from new vehicles is also expanding fast, with demand now overtaking contract hire, an encouraging trend as thanks to the 100 per cent first year allowance for leased vehicles Perry is paying no corporation tax.

Currently the deferred tax provision is up to £21m. and it has been decided to follow the line of Godfrey Davis and transfer a substantial proportion into reserves. Demand in the final quarter is always weaker, nevertheless a full year pre-tax profit of £21m. is probably a minimum expectation, assuming Ford has no serious production setbacks, in which case the profit will be at least £14.5m. The maximum yield is 58 per cent, and the shares appear to have already discounted this year's prospects.

Berger little changed

ON SALES up 10.18m. to £24.70m. pre-tax profits of 10.18m. against £147,000. Current prices for rubber and cocoa are higher but those for coffee and palm oil are lower, reports the directors. Overall they should provide a satisfactory profit margin for the remainder of the year, they add.

The net interim dividend is up from 0.4p to 0.75p per 10p share to reduce disparity. Last year's total was 2p and profits 10.7m.

Bradwall £276,000 for seven months

With a larger profit from estates and increased investment income, estimated taxable profits of Bradwall (FMS) Rubber Estate for the first seven months of 1977 were up from £179,000 to £276,000. The price of rubber is currently higher, the directors state, and they feel there should be an improvement in the agricultural profit for the remainder of 1977.

For the first eight months of 1977, crops totalled 1.71m. kilos (1.69m. kilos) and the net realised price of rubber for the seven months was 43.99p per kilo compared with 28.6p per kilo. The net dividend per 10p share for 1976 was an equivalent 1.25p after a three-for-one scrip issue, paid from profits of £429,130.

Bury & Masco to top £0.9m.

REFLECTING INCREASED activity in most areas of the Bury and Masco (Holdings) group, sales jumped by 26 per cent to £7,256m. in the half year ended June 30, 1977. Competition has reduced margins but the pre-tax profit emerged, 19 per cent, ahead at £630,000.

For the year Mr. B. L. Allen, chairman anticipates that profits will exceed the previous record of £925,000 set in 1976. In 1975 there was a setback to £732,000 followed by a partial recovery to £874,000 in 1976.

The interim dividend is unchanged at 1.2403p net—the 1976 total was 4.23p.

On July 1, the group merged its automotive carpet manufacturing subsidiary, which had incurred losses over a number of years, with the corresponding operation of a competitor. Bury now has a minority in the new company, Miles Masco. Apart from improving cash flow, it is expected that this new arrangement will increase profitability.

Also in July the group purchased the shares of its major distributor in Australia, Australian Felts Pty.

Jentique 50% scrip issue —profit slips

A one-for-two capitalisation issue is proposed by Jentique (Holdings), to be followed by a consolidation of its 5p shares to 2.5p units.

Pre-tax profit for the year to June 30, 1977 dipped from a record £586,343 last year to £555,038, but a reduction in tax from £252,764 to £249,160 results in improved earnings per share of 1.16p compared with 1.15p.

A higher final dividend of 0.345p (0.3204p) takes the total payment to 0.5334p net (0.3347p), the maximum permitted.

1976-77	1977-78
Turnover	7,256
Trading profit	630
Investment income	10
Pre-tax profit	630
Taxation	211
Profit	419
Dividend	124
Carried forward	1,431

Progress so far at Sungei Krian

Due to the higher profit from palm oil, Sungei Krian Rubber Estate reports pre-tax profits increased from £235,000 to an estimated £477,000 for the first seven months of 1977.

The outlook for the remainder of 1977 is favourable for rubber, say the directors, as the price is higher now than during the period reported. However, the price of palm oil is now lower than during the first seven months of the year, so the agricultural profit for the remainder of the year will probably be reduced, they add.

For 1976, pre-tax profit amounted to £499,382 and a 50p net interim dividend, in lieu of a final dividend, was paid.

Net realised prices for the seven months to July were 46.57p (39.40p) per kilo for rubber and 141 (127) p per ton for oil palm fresh fruit bunches.

Chersonese £0.6m. so far

Estimated pre-tax profit for the first seven months of 1977 at Chersonese (FMS) Estates jumped from £285,000 to £630,000—after replanting expenditure the surplus is £100,000, against £147,000.

POINTMENTS

New member for Samuel Properties Board

Robert B. Waley-Cohen has been appointed a director of SAMUEL PROPERTIES.

Mr. G. C. Liveridge, general manager of J. and E. ARNFIELD (the main manufacturing centre of Mono Pumps), has been appointed director and general manager of that company. Also joining the Board of Arnfield are Mr. L. E. S. Cox, U.K. sales and service manager for Mono Pump Division, and Mr. O. B. previously production executive.

Mr. James Galt has been nominated president of INTERFLORA (BRITISH UNIT) and will take over from Mr. Ian G. McD. Goble.

Mr. John Willmott, the director of ANTONY GIBBS AND SONS, who established the group's banking office in Bristol, will be leaving on September 30 to take an appointment outside the group in Hong Kong. At the same time, control of the local activities of the group's financial services subsidiary will be transferred to its Exeter office. Mr. William Symons, marketing director at the Bank's head office in the City of London, will succeed Mr. Willmott with responsibility for the future development of the group's banking business in the West Country.

Sir Henry Mance, a director of Willis, Faber and Dumas, and a former chairman of Lloyd's, has been elected president of the

The future of the private company in Britain.

In this country private firms employ six million people, generate some 20 per cent of the gross domestic product and account for more than 95 per cent of all business enterprises in the United Kingdom.

The future of the private company is currently in the forefront of national debate and ICFC has therefore arranged a one day non-profit making conference for the chairmen and managing directors of private companies and their professional advisers.

Speakers include:
Mr. Gordon Richardson—Governor, Bank of England; Mr. John Methven—Director General, CBI; Professor Jim Ball—Principal, London School of Business; Mr. Hugh Parker—Senior Director, McKinsey & Co. Inc.

Date: Tuesday, October 25, 1977.
Venue: Queen Elizabeth Hall, South Bank, London SE1.
Fee: £45 plus VAT, inclusive of documentation, morning coffee, luncheon and afternoon tea.

ICFC

To: ICFC Conference, Conference Associates, 34 Stamford Road, London W8 5PZ (01-937 9214). Please send me full programme details.

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Located directly on the beach, the Inter-Continental Hotel in Muscat is, of course, fully air-conditioned. It has 308 rooms and 20 cabanas; restaurants, bars, and a discotheque; a swimming pool, tennis court, and even a shopping arcade. Providing every service both for business and to ensure your enjoyment of your stay, our new hotel is designed — like every Inter-Continental hotel — to make you feel thoroughly at home.

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GENEVA: 346391 - PARIS: 077-8020 - VIENNA: 563611 - AMMAN: 41361 - DUBAI: 27171 - RYADH: 34550 - TEHRAN: 63771

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

Survey of the

NETHERLANDS

to be published on Tuesday November 15 1977

The Financial Times is preparing to publish a survey on the Netherlands in its edition of November 15 1977. The main headings of the proposed editorial synopsis are set out below.

INTRODUCTION: The Netherlands is one of the most advanced societies in Europe but still has its social problems; and the new Government will have to set about resolving them while at the same time seeking to improve the business climate.

POLITICS: An examination of the political situation following the May election, which produced a surprisingly large victory for the Labour Party of Mr. Joop den Uyl, the Prime Minister.

THE ECONOMY: The economy is still strong, but recovery has been slow and unemployment is again rising. The Government is trying to curb the growth of public expenditure against a background of continuing anxiety over corporate profitability.

EUROPEAN POLICY: Most Dutch people still see the best hope for the future in closer integration with neighbouring countries; support remains strong for economic, monetary and political union with the EEC.

THIRD WORLD: The Netherlands is among the few western countries which have exceeded the United Nations' target of 0.7 per cent of GNP for official aid.

IMMIGRANTS: The successful absorption of Indonesian immigrants gave the Netherlands a good image abroad, but the more recent arrival of many Surinamese, the recent dramatic events involving South Moluccan terrorists, and now the permanent group of foreign 'guest workers', have caused social strains.

ENERGY: The Netherlands is a net energy exporter but the position will be reversed within the next five years as depletion of the Slochteren natural gas field continues.

BANKING AND INSURANCE: In both sectors the process of internationalisation of activities has been a top priority, not least because of the relatively limited domestic market.

CAPITAL MARKETS: The stock market, and the money and capital markets have been improving after a bad period, particularly during last summer when the guilder was under pressure.

INDUSTRY
Shipbuilding and Offshore: Both sectors are due to be rationalised with State support because of the low level of orders.

Steel: Short-time working continues, but the outlook is regarded as promising.

Cars: Volvo has taken over DAF but is still having difficulty making it profitable; assembly by Ford is operating successfully.

Construction: The domestic sector is short of orders but Dutch companies have won some major orders abroad.

Aerospace: Hopes are pinned on participating in European projects; the industry has proposed plans for a new medium-haul airliner.

Oil and Chemicals: This sector is doing better than most of the rest of Dutch industry; sizeable investments are planned.

Engineering: The industry is suffering from high labour costs and is in the process of reorganisation.

Textiles: Like most European textile industries the industry suffers from cheap imports and faces restructuring.

Dairy Farming: The industry has a stable base and is concentrating on exports, particularly to the Middle East.

THE MULTINATIONALS: The Netherlands-based multinationals continue to flourish despite mounting domestic criticism of their activities.

TRANSPORT: The transport sector has grown very rapidly in the past decade, but the impact of reduced world trade is leading to reorganisation.

AGRICULTURE: An examination of the state of Dutch agriculture regarded as being in an enviable position compared with the industry's experience in several other European countries; Dutch efforts to increase exports.

REGIONAL DEVELOPMENT: Efforts to industrialise the areas outside the congested west of the country are concentrated mainly on the North (Groeninger Province) and the South (Limburg). These efforts have met with mixed success.

WELFARE STATE: Social expenditure has scarcely been affected by the economic downturn; but the burden may gradually become too heavy for the economy.

LABOUR: Traditionally very good, labour relations in the Netherlands have been under strain in the past few years. The unions want far-reaching social reforms in exchange for wage restraint.

TOURISM: The flow of tourists has started to increase again but the country is not attracting the number it would like.

The proposed publication date is November 15 1977. Copy date is October 25 1977.
For full details of the synopsis and advertising rates contact:
Richard Oliver, Deputy European Manager,
Financial Times, Bracken House, 10 Cannon Street, London, EC4P 4BY.
Tel: 01-248 8000, ext. 7164. Telex: 885033 FINTIM G.

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

The content and publication dates of surveys in the Financial Times are subject to change at the discretion of the Editor.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

AUSTRALIAN COMPANIES

TNT falls short of its earnings target

BY JAMES FORTH

SYDNEY, Sept. 22.

THOMAS-NATIONWIDE Transport, the international land and shipping transport group, failed to live up to its strong growth record of recent years in 1976-77. Earnings rose by 10.7 per cent, from \$A13.05m. to \$A14.44m., but fell short of the \$A17.5m. target forecast by the Board last November. Profits were held back by the wholly owned U.S. subsidiary Acme East Freight Inc. which incurred a loss of \$A3.37m. for the year. This was in addition to the \$A3.2m. which TNT announced last March. It would be writing off Acme profits which had been over-stated during the past three years.

SA\$242m. to SA\$482m. a 35.4 per cent. gain, but the profit to sales ratio dropped from 3.9 cents in the dollar to 3.7. Earnings per share, on capital increased by scrip and rights issues and the takeover of Peninsular Group Holdings, came back from 22.5 cents to 19.5 cents. The dividend, however, is increased from 8.5 cents to 9 cents a share.

Dividend cut at Sims

SIMS CONSOLIDATED, the diversified scrap metal dealer, has cut its dividend in order to conserve liquid resources, after a 32 per cent. fall in profit to \$A8.1m. in the year to July. The directors have also cut the dividend from 10c. a share to 7.5c. The result equals 15c. a share, compared with 22c. in 1975-76. Sales slipped 1 per cent, from \$A158m. to \$A156m.

Castlemaine Perkins issue

By Our Own Correspondent. CASTLEMAINE PERKINS, the major Queensland brewer, proposes to make a one-for-five scrip issue. This is the second such issue within two years, following a one-for-four scrip issue in November, 1975. The directors expect that the dividend rate of 13 cents a share paid in 1976 will be at least maintained on capital increased by the latest scrip issue.

Marra losses

SYDNEY, Sept. 22. MARRA Developments, pastoral group, reduced its loss from \$A988,000 to \$A758,000 in the year to June 30. Moreover, the major improvement came in the second half when the loss was only \$A148,000. Marra has been on hard times since it merged in 1974 with the South Australian group. The group has since been selling properties, despite resistance from dissident shareholders, to help reduce its indebtedness.

The depressed economic conditions in Australia, coupled with an increased corporate tax rate, also had an adverse effect on the year's profit. Moreover, TNT's move into North Atlantic shipping through Trans Freight Line Inc. while well resulted in initial costs being incurred which further contained the profit growth. Last year earnings rose 51 per cent, and the directors were earlier looking towards a further 35 per cent. gain in 1976-77. The TNT Board expects Arme to incur a significantly smaller loss to the current year, and possibly break even in 1978-79. Operations in Canada, Brazil and New Zealand all improved. In Brazil profits jumped from \$A120,000 to \$A15m. Group revenue rose from

SAMBO'S RESTAURANTS

Fraction of the action attraction

LOS ANGELES, Sept. 22.

SAMBO'S RESTAURANTS has become a possible takeover candidate at a time when its popularity on Wall Street seems to be spreading, Reuter reports. The company, the largest coffee shop chain in the U.S., has substantial changes in its business methods in the past 18 months. Security analysts said the changes were welcomed and strengthened the company's profit potential. It is this projected profit improvement, especially for 1978, that appears to make Sambo's worth more than the nearly \$24 price that the stock hit after exploratory merger talks were revealed on Monday, according to analysts.

value, based on next year's expectations, Golden added. Next year's analysts see Sambo's having perhaps its highest profit increase ever. Another analyst termed Sambo's growth record so far as adequate but not "great". He said it was difficult to estimate an exact sell-out price, but that if profits next year were going to be as good as anticipated, then Sambo's value probably should be higher than \$25. Most analysts predict Sambo's profits this year will rise to the range of \$2.10 to \$2.20 a share, compared with \$1.90 last year. They predict earnings next year will climb to between \$2.60 and \$3.00.

but could add about 25c a share to next year's earnings. He said Sambo's was giving too much away under the old plan whereas the new plan is more than competitive within the industry.

funds for SBC

Own Correspondent. BANK Corporation, of its expanded interest investment fund sector acquisition of the Laury company Sasecco SA de el Placements Collective administrators the two funds Foelpars Service and Fnnelpars Serie operate particularly in Switzerland. The Bank for years been the repository bank. This transaction, Bank Corporation now securities funds and estate funds, five of the co-operation with Cre. As of mid-1977, the fund a market share of 19.6 of Swiss securities in funds and 22.6 per cent estate funds, calculated assets.

What impresses analysts about Sambo's is the extensive remodeling of its restaurants, new menu concepts, raised prices, increased advertising, and a new compensation programme for store managers. The compensation plan, so-called "Fraction of the Action", was particularly well received by analysts. Some of them thought this was the impetus for the merger interest. Under the new plan, Sambo's retains a greater ownership percentage in its restaurants and requires a higher purchase price for interests in new restaurants. Sambo's said the new programme will have a positive effect on future earnings. Analysts agree. William Trainer of Merrill Lynch Pierce Fenner and Smith said the plan probably will not have a substantial effect on this year's earnings, maybe five cents a share or so.

Israeli paper company issues

By L. Daniel

TEL AVIV, Sept. 22.

AMERICAN-ISRAELI PAPER MILLS, one of Israel's largest industrial concerns, intends to turn to the public with an issue equivalent to \$7m. The company—Israel's only paper producer—had a relatively poor year in 1976 due to the running in of its fourth paper-making machine, which virtually doubles capacity and being one of the most modern in the world, permits the use of a high percentage of recycled paper. Production costs and, more significantly, high financing expenses, coupled with insufficient penetration of the local market, strained its resources. However, since then the situation has improved as a result of the establishment of a new sales organization and increased efficiency. The firm's confidence is reflected by the proposed issue, which is to consist of convertible debentures, carrying 20 per cent. interest (\$5m.) plus \$2m. of ordinary shares. Prices and terms of conversion will be announced at a later date.

PROFITS IN SOUTH AFRICA

A meagre growth rate

BY RICHARD ROLFE

JOHANNESBURG, Sept. 22.

FIGURES MONITORED for 167 quoted South African companies against 4 per cent. in 1976 and 7 per cent. in 1975. The recent strength of the stock market appears to owe more to financial and technical factors, with London buying of industrial stocks noted this week for the first time in many months. In fact, the higher dividends even some internal growth in the South African economy has revived.

Sector	Previous Rm.	Latest Rm.	Percent. change
Building	68.7	62.0	-9.8
Chemicals	107.0	112.3	+4.9
Clothing	11.8	12.1	+2.4
Food	87.0	101.2	+14.8
Fishing	45.7	45.1	-1.3
Furniture	52.9	60.0	+13.4
Engineering	126.3	134.3	+6.4
Metals	32.8	29.3	-10.6
Paper	76.2	77.1	+1.2
Pharmaceuticals	4.3	4.3	—
Retailers, wholesalers	4.3	7.8	+81.2
Stores	75.9	83.1	+9.5
Sugar	68.5	75.5	+10.2
Textiles	19.6	17.6	-10.1
Other	336.7	350.0	+3.9
Total	1163.1	1182.9	+1.7

U.K. luxury car protest

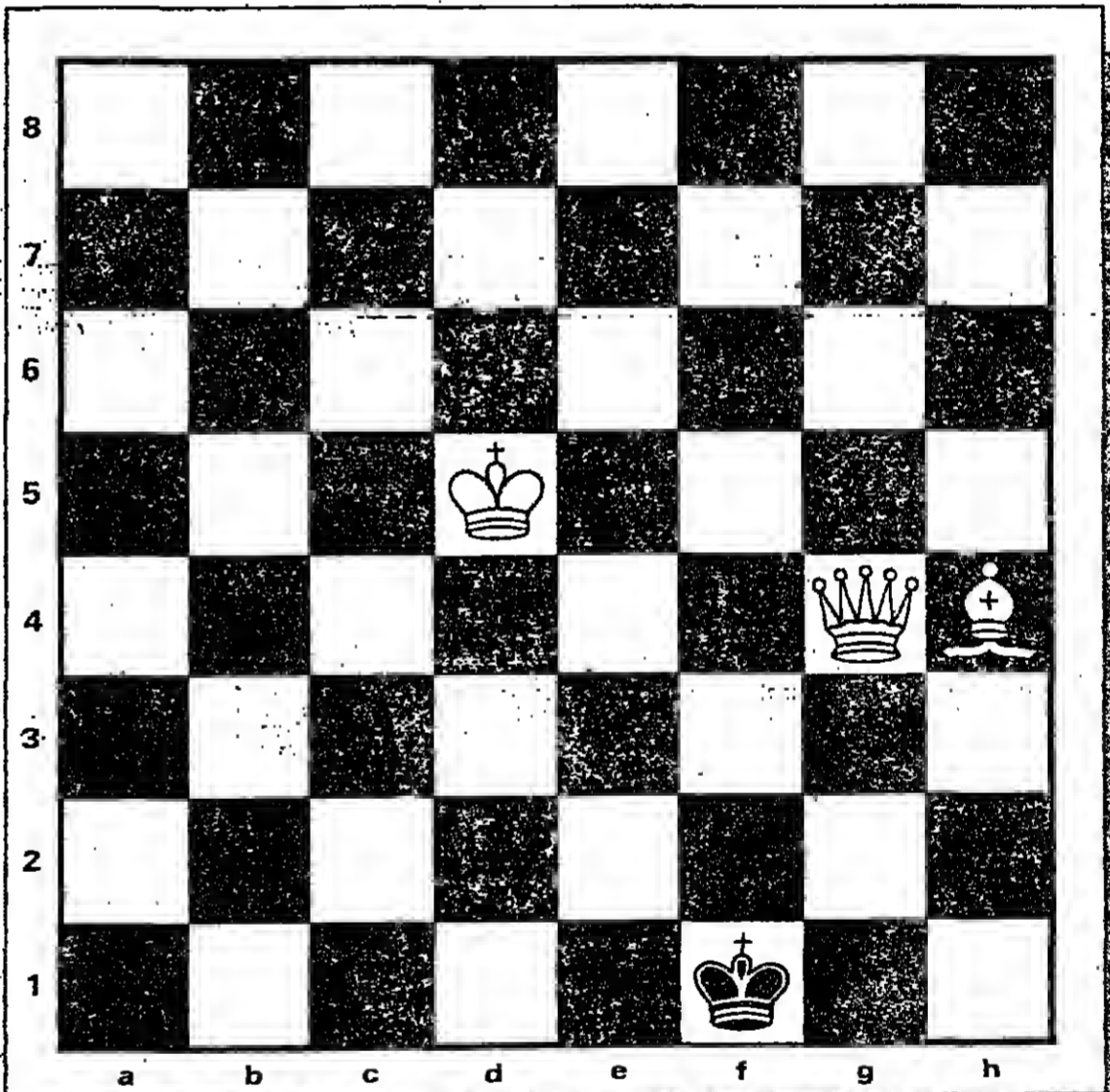
BY JOHN WYLES

NEW YORK, Sept. 22.

THE BRITISH Government is mounting a strong lobbying effort in Washington against a Senate amendment to the Energy Bill which would exclude the sale in the U.S. after 1980 of all Rolls-Royce cars and some British Leyland Jaguar models. The amendment has been described by Mr. George Lewis, the president of the U.S. subsidiary of Rolls-Royce, as a potentially serious threat in the future of the company, which sells a third of its annual production in the U.S. Foreign manufacturers of other luxury cars, including Mercedes and Ferrari, are also protesting about the amendment, which would ban the sales in 1980 of all cars which were not achieving a fuel consumption of 18 miles to the gallon. The amendment, sponsored by Democratic Senator Howard McClellan of Ohio, was endorsed by the Senate Finance Committee this week as an alternative to the administration's proposed tax on "gas guzzler" cars which the committee rejected. Diplomatic opposition to the ban has been strengthened by a subsequent amendment which would exclude in-output U.S. manufacturers, principally the Checker Cab company. In the British embassy view, the measure is now flagrantly discriminatory and a clear breach of GATT regulations.

Unit trust launch by Sung Hung Kai

SUN HUNG KAI SECURITIES, a leading Hong Kong investment company, has launched a unit trust using a variety of option trading strategies in order to achieve higher returns for investors. AP-DJ reports from Hong Kong. A spokesman said that the trust—the Sunho Fund—is a joint venture owned 51 per cent. by Sun Hung Kai and 49 per cent. by Bear Stearns and Co. of New York. He described the fund as "the world's first" because it uses a variety of option trading strategies while other trusts only uses single strategy.



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- Crocker National Bank Edessa International Finance Company
- First National Bank in Dallas, Paris Branch
- Investitions-und Handels-bank Aktiengesellschaft, London Branch
- Lavoro Bank Overseas N.V.
- Pittsburgh National Bank, Paris Branch. Société Générale de Banque
- Standard Chartered Bank Limited UBAF Bank Limited

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This announcement offers no matter of record.

MANCHESTER is in the midst of celebrating the centenary of an imposing monument to the wealth created by the industrial revolution, the Victorian neo-gothic town hall. It has been made the occasion for displays by the Brigade of Guards, a Lord Mayor's procession with 140 floats, art exhibitions, special theatrical events, and a display of civic silver including the most recent acquisition, the FA Cup on loan from Manchester United.

New start in Manchester

By RHYS DAVID, Northern Correspondent

The celebrations are intended to repeat for to-day's 500,000 Mancunians the jolly atmosphere which evidently prevailed in 1877, when no fewer than 43,000 working men of the Manchester and Salford Trade Societies marched to the town hall, chef d'oeuvre of Alfred Waterhouse, architect also of the Natural History Museum in London. They carried samples of their craftsmanship ranging from glass swords borne by a member of the Manchester Tinplate Workers' Society.

distant towns such as Bolton and Wigan, some 19 miles away. The county while struggling for an elusive homogeneity in the face of local patriotism, has its own uphill task. The physical evidence of inner urban dereliction shows Greater Manchester to be one of the less fortunate parts of the U.K. in the farther North and to the west, in Liverpool, other co-ordinations are beneficiaries of considerable Government efforts to stimulate industrial development by the provision of development and special development area grants. Greater Manchester as an intermediate area has been largely bypassed by major new projects.

Low earnings
In a report to the Greater Manchester council earlier this year its chief executive, Mr. Tony Harrison, pointed out that the constituent parts of the county (population 2.8m.) had lost about 180,000 jobs between 1958 and 1972—roughly 15 per cent of total jobs and 25 per cent of all manufacturing jobs. Although over the same period there has been an increase of service employment, the net loss is still of the order of 100,000. Furthermore although unemployment—currently between 5 and 6 per cent—has been lower than in some other parts of the country, standards of living in the area have been

depressed by the low average earnings of the workforce—some £5 a week lower than in other comparable metropolitan areas. According to Mr. Harrison, of total Government support and incentives of around £700m. in 1973-76 towards regional development, Manchester received only about £5m. Total incentives per head are estimated to have been around £2 in the GMC area, compared with £35 per head on Merseyside and £43 in the Northern region, which covers Newcastle.

The shift of regional policy in the U.K. from a blanket approach towards a more selective assistance for industry, is likely to help Manchester, but both the city and the other towns in the county area are showing the effects of having had to paddle their own industrial canoe for so long. Much of the industry in the area—particularly the smaller concerns—is housed in sub-standard accommodation. There is a tendency for companies seeking to expand to look at other areas where assistance is likely to be available.

The recent Government decision to go ahead with the Drax B power station in Yorkshire was designed to save jobs in the power industry in the North East but one of the consequences has been to put in jeopardy some jobs at GEC's important plant at Trafford

Park. Fortunately for Manchester another major employer ICL, which was thought to be looking around for development sites outside the city, has recently applied for planning permission to build new facilities in the city.

The property boom in the early 1970s brought a large number of speculative developments to the city centre, but with Manchester not a favoured location for Government and nationalised industry office dispersal, blocks are being filled only slowly by office employers in the private sector, seeking quarters. A lot of older office property, which once housed textile companies and other small businesses stands, empty or awaits clearance.

Urban aid
The decline of the population of Manchester, coupled with a large building programme, has permitted slum clearance to be virtually completed, but large areas of land in the city centre and in neighbouring Salford require rehabilitation. The two cities between them are to receive some £11m. under the Government's £100m. urban aid scheme. It is to be spent on a variety of projects, including factory space, to be built for occupation by industry, housing improvement, and other social facilities. Though the Government is planning partnership

arrangements with the main urban centres to follow up this initial aid, the process of regeneration is likely to stretch outside the city, has recently applied for planning permission to build new facilities in the city.

Manchester does have important assets as civic leaders and officials constantly stress. It is particularly well served with communications both by motorways and through its international airport—Britain's third busiest, and a municipal enterprise with a successful history dating back nearly 50 years. The city also remains the most important centre of private administrative services in the U.K., next to London, with an important banking and financial sector now attracting a growing number of overseas banks. It also has in Manchester University with its institute of science and technology the biggest educational campus in Europe, and a vigorous cultural and entertainment scene.

There remains within the new local government structure a potential for conflict—in particular about the extent to which resources should be committed to the city to build up its role as regional centre for the county and the North. The alternative is decentralisation which the other former county boroughs in the new county areas—all anxious to build up their own facilities for shopping, entertainment and recreation—will naturally tend to support. Greater Manchester is currently engaged in drawing up a



Manchester Town Hall: centenary from a more confident age.

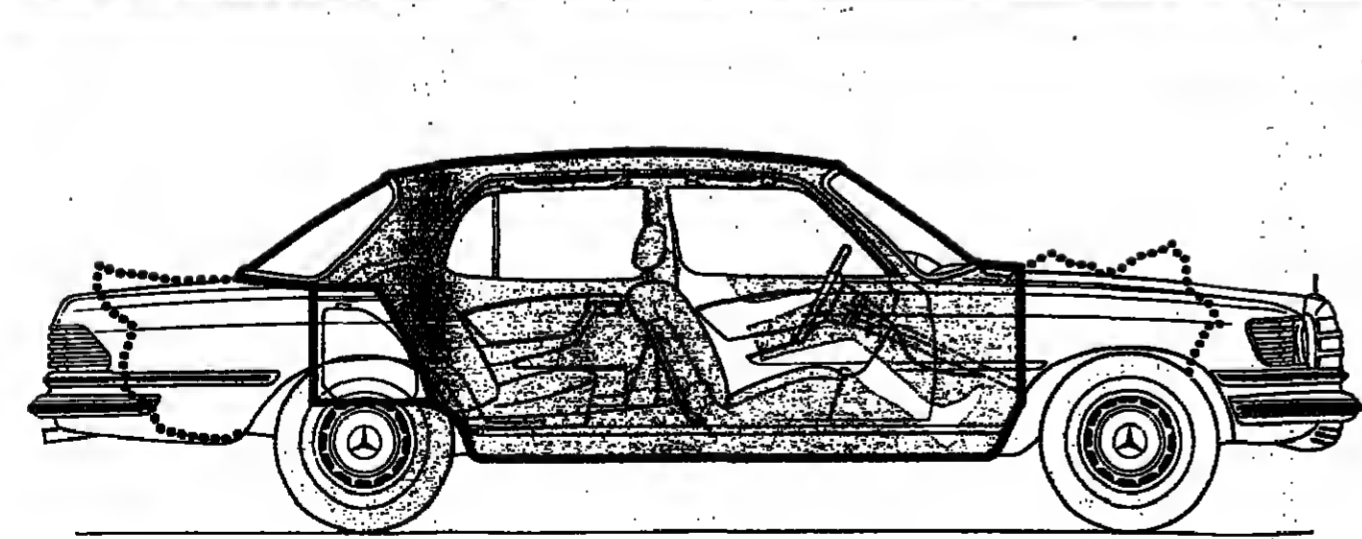
structure plan which will try at least in part to reconcile these inevitable differences. So far three main possible strategies for discussion have been identified. The first envisages a land use plan which would allow development to take place with the minimum of constraints—a policy which would probably tend to speed the withdrawal of industry from the centre of Manchester and encourage growth in other parts of the county where green-field sites could be made available to developers.

The second strategy would seek to spread gains evenly over the county, and avoid losses, while the third strategy—which the city with some important reservations supports—would concentrate resources in the present built-up areas to utilise existing social capital and to tackle inner area problems. It seems likely that after the views of not only Manchester but of Bury, Oldham, Rochdale, Tameside and the other districts have been taken into account some form of compromise will be reached tending towards the adoption of the second strategy.

Achieving agreement on a strategy is not made any easier by the difference of political control between county and town hall. The county is Conservative controlled and might be expected to wear more towards the removal of constraints on development so that industry would go where it feels it could operate most effectively. The city is in Labour hands and the

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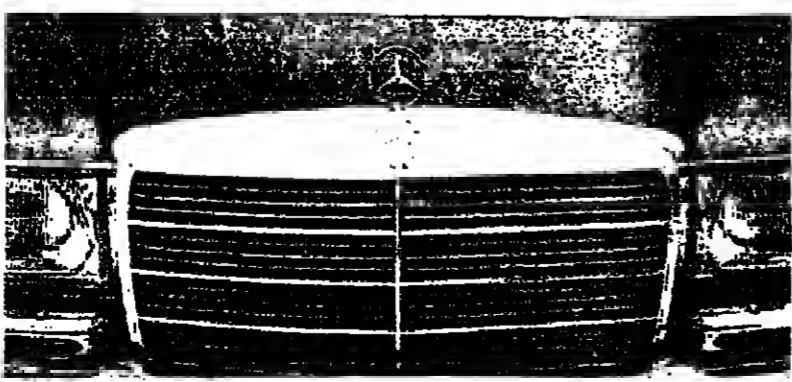
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MINING AND RAW MATERIALS

Soviet Export quota row threat to sugar pact talks

By Our Commodities Staff
DISAGREEMENT OVER export quota allocations...

Silkin turns down green pound plea by farmers

Financial Times Reporter
MR. JOHN SILKIN, the Minister of Agriculture...

British beef herd on the decline

LIVESTOCK
By JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT
IF THE green pound of Mr. John Silkin...

EEC malt export subsidy plea

By Christopher Parkes
COMMON MARKET ministers hope the EEC Commission will increase export subsidies...

QUICKSILVER TALKS POSTPONED

By Our Commodities Staff
The Association of Quicksilver producers, meeting scheduled for the second half of this month...

Soya product sales halted

By Colin Narborough
AMSTERDAM, Sept. 22. CENTRAL SOYA Utrecht has informed its customers...

Grain glut may boost pig output

By Colin Narborough
COPENHAGEN, Sept. 22. DENMARK'S GRAIN surplus this year...

COMMODITY MARKET REPORTS AND PRICES

Table with multiple columns listing commodity prices for various goods like wheat, sugar, and metals.

FINANCIAL TIMES SURVEY

SOYA BEANS

Financial Times is planning to publish survey on Soya Beans in its issue of November 14 1977. The main headings of provisional editorial synopsis are set out below.

COFFEE

London coffee futures opened 20 higher...

GRAINS

Country movement futures under stress...

WHEAT

September 1977 wheat prices...

SILVER

Silver was fixed 6.70 an ounce higher for spot delivery...

COCOA

Strength of spot month influenced tone of market...

WOOL FUTURES

Wool futures prices...

JUTE

Jute prices...

PALM OIL

Palm oil prices...

MEAT/VEGETABLES

Meat and vegetable prices...

RUBBER

Rubber prices...

PRICE CHANGES

Table showing price changes for various commodities.

U.S. Markets

Copper and sugar ease; coffee falls

COPPER eased on speculative profit-taking. Precious metals traded in quiet conditions...

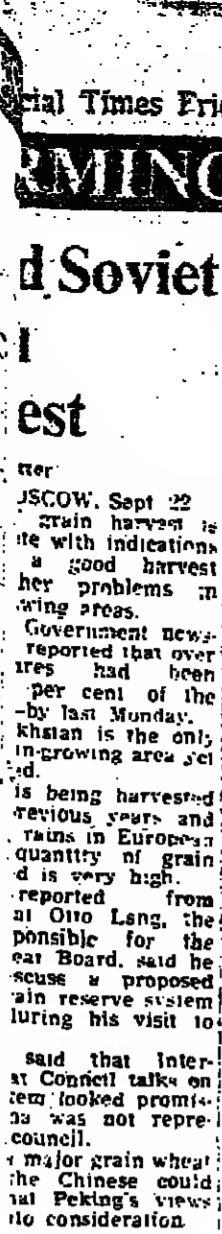
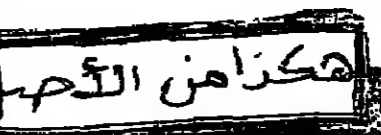
Wheat sale 'unknown'

The U.S. Department of Agriculture said 101,604 tonnes of U.S. wheat has been sold to unknown destinations...

'HIGHER' STOCKS OF SOYABEANS

Stocks of soyabean carried into this season from September 1 are estimated at nearly 103m bushels...

Financial Times Business Newspaper advertisement with contact information for Simon Hicks.



STOCK EXCHANGE REPORT

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Dealing Dates

Continued aggressive demand in a thin market took quotations... The overnight caution in equity shares, evident in the late trading...

The profits warning which accompanied the half-yearly results prompted not only marked dullness in C. T. Bowring...

Life insurances, helped by the prudential figures, stood out in the first sub-sections in the FT-Actuaries indices...

Decca dull
ICI fluctuated narrowly before reacting late to end at 416p, down 10p.

In Foods, Tate and Lyle were exceptionally weak at 265p, down 8p while Bernard Matthews, a firm market of late on trading news...

Against the general trend, News-Papers traded firmly throughout. Demand arose for Associated, 9 1/2p at 132p, and Daily Mail at 265p...

Ultramar wanted
In distinct contrast to leading oils, which turned weak late yesterday, Ultramar wanted...

Redearn collapse
The bid situation in Redearn National Glass came to a climax yesterday when the Government of Trade referred both the Rockware bid and the Rheem International offer to the Monopolies Commission...

make headway despite the surrounding malaise. Moolooly improved 4 to 56p, while Rothschild, 163p, and Scottish Cities A, 144p, put on 3 pence...

Shipping failed to escape the market tendency. Furness Withly, London Merchant, 61p, and Day & Day, 39p, both of which picked up 2 more...

Tobacco came on offer, Imps closing 2 off at 76p and BAT Industries Deferred 10 cheaper at 225p.

Gold boom continues
The upward spiral in prices of South African Golds continued yesterday in the wake of the further 35 cents improvement in the bullion price to \$151.375 per ounce...

FINANCIAL TIMES STOCK INDEX
Table with columns for various stock indices and their values over time.

HIGHS AND LOWS
Table showing high and low prices for various stock categories.

NEW HIGHS AND LOWS FOR 1977
Table listing new high and low prices for various securities.

OPTIONS TRADED
Table listing traded options for various stocks.

RISES AND FALLS YESTERDAY
Table showing daily price changes for various stocks.

RECENT ISSUES

Table listing recent issues of various stocks, including titles, authors, and prices.

FIXED INTEREST STOCKS

Table listing fixed interest stocks with columns for stock name, price, and yield.

'RIGHTS' OFFERS

Table listing rights offers for various companies.

ACTIVE STOCKS

Table listing active stocks with columns for stock name, price, and change.

FT-ACTUARIES SHARE INDICE

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table showing equity groups and sub-sections with columns for index number, date, and value.

FIXED INTEREST PRICE INDICES

Table showing fixed interest price indices with columns for index number, date, and value.

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Main table listing various unit trusts and offshore funds with columns for fund names, managers, and performance metrics.

BASE LENDING RATES

Table showing base lending rates for various banks and financial institutions.

30 DAY PRICE MOVEMENTS

Table showing 30-day price movements for various commodities and goods.

INSURANCE, PROPERTY, BONDS

Large table listing insurance, property, and bond products from various providers.

INSURANCE BASE RATES

Table showing insurance base rates for different types of policies.

CLIVE INVESTMENTS LIMITED
1 Royal Exchange Ave., London EC3V 3LU. Tel: 01-283 1101

STOCKS—Continued

Table of stock prices and market data, including columns for stock names, prices, and changes.

INSURANCE—Continued

Table of insurance company stock prices and market data.

PROPERTY—Continued

Table of property-related stock prices and market data.

TRUSTS—Continued

Table of trust-related stock prices and market data.

TRUSTS—Continued

Table of trust-related stock prices and market data.

MOTORS, AIRCRAFT TRADES

Table listing various motor and aircraft trade companies and their stock prices.

SHIPBUILDERS, REPAIRERS

Table listing shipbuilders and repairers and their stock prices.

SHIPPING

Table listing shipping companies and their stock prices.

SHOES AND LEATHER

Table listing shoe and leather companies and their stock prices.

SOUTH AFRICANS

Table listing South African companies and their stock prices.

NEWSPAPERS, PUBLISHERS

Table listing newspaper and publishing companies and their stock prices.

TEXTILES

Table listing textile companies and their stock prices.

PAPER, PRINTING ADVERTISING

Table listing paper, printing, and advertising companies and their stock prices.

PROPERTY

Table listing property-related companies and their stock prices.

TOBACCOS

Table listing tobacco companies and their stock prices.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land-related companies and their stock prices.

FINANCE, LAND, etc.

Table listing finance, land, and other companies and their stock prices.

OILS

Table listing oil companies and their stock prices.

OVERSEAS TRADERS

Table listing overseas trading companies and their stock prices.

RUBBERS AND SISALS

Table listing rubber and sisal companies and their stock prices.

TEAS

Table listing tea companies and their stock prices.

MINES

Table listing mining companies and their stock prices.

CENTRAL RAND

Table listing Central Rand mining companies and their stock prices.

EASTERN RAND

Table listing Eastern Rand mining companies and their stock prices.

FAR WEST RAND

Table listing Far West Rand mining companies and their stock prices.

O.F.S.

Table listing O.F.S. companies and their stock prices.

DIAMOND AND PLATINUM

Table listing diamond and platinum companies and their stock prices.

NOMURA The Nomura Securities Co., Ltd. advertisement.

MINES—Continued CENTRAL AFRICAN advertisement.

AUSTRALIAN advertisement.

TINS advertisement.

OVERSEAS TRADERS advertisement.

COPPER advertisement.

MISCELLANEOUS advertisement.

NOTES advertisement.

India and Bangladesh advertisement.

Africa advertisement.

MINES CENTRAL RAND advertisement.

EASTERN RAND advertisement.

FAR WEST RAND advertisement.

O.F.S. advertisement.

FINANCE advertisement.

DIAMOND AND PLATINUM advertisement.

REGIONAL MARKETS advertisement.

OPTIONS 3-month Call rates advertisement.

INSURANCE

Table of insurance company stock prices and market data.

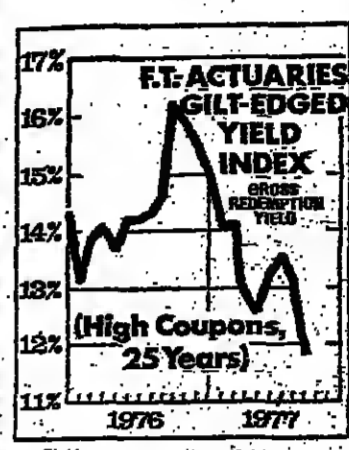


THE LEX COLUMN

Dunlop suffers a puncture

Rarely can the gilt-edged and equity markets have provided more of a contrast than they did yesterday...

Index fell 14.5 to 505.5



Elsewhere, the hearing side remains the Kearney machine tool business...

Miller death sets new Peachey problems

THE DEATH yesterday of Sir Eric Miller, former chairman and managing director of Peachey Property Corporation...

Mozambique meeting critical for Rhodesia initiative

THE IMMEDIATE future of the Anglo-American settlement initiative in Rhodesia is likely to be determined at a critical meeting now taking place between the front line African Presidents in Maputo, capital of Mozambique...

Search starts for Lance successor

WASHINGTON, Sept. 22. THE SEARCH began today for a successor to Mr. Bert Lance, the U.S. Budget Director...

Green Shield to cut staff and redemption centres

GREEN SHIELD, the trading stamp company which has had to re-think its structure since losing the Tesco business in June, is to cut the number of its redemption centres...

Vice-chairman of Tarmac may resign

TARMAC, the Wolverhampton-based building and civil engineering group, is expected to announce the resignation of Mr. Bill Francis, its vice-chairman...

Redfearn Glass bids referred to Monopolies Commission

THE STRUGGLE for control of Redfearn National Glass, one of the big four glass container manufacturers in the U.K., was effectively frozen yesterday by the decision of Mr. Roy Hattersley...

Confirmed

The market has already given its verdict on Allied's bid, taking Peachey's share price well above the 55p offer...

Council pay

on them, notably by the police and the firemen. The police, who have dropped out of the official negotiating machinery...

Weather

U.K. TO-DAY CLOUD and rain in the west spreading to most parts by evening. Warmer with near normal temperatures...

IMF post for Healey disputed

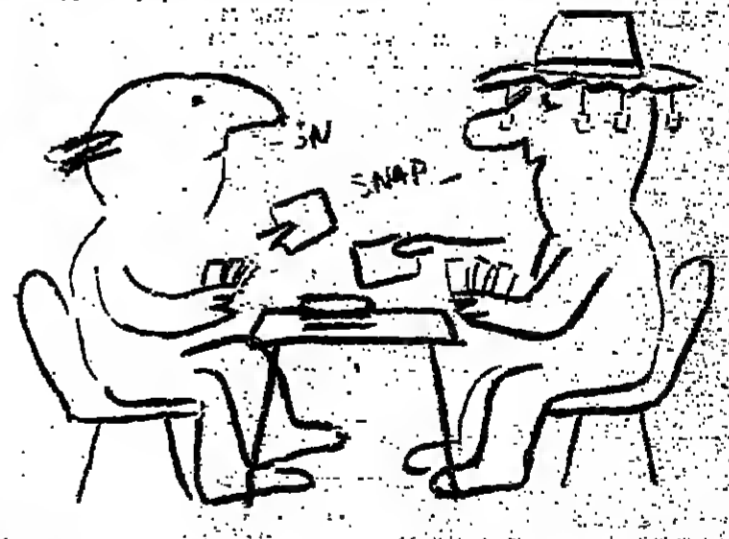
THE WEST GERMAN Government is fighting what until recently had appeared to be the certain appointment of Mr. Denis Healey, Chancellor of the Exchequer...

Group Lotus

It is easy to see why an Equity Bank, with from Bond Worth has been prepared to re-finance...

Vickers

Vickers' performance during the six months to June turns out to have been solid, rather than "extraordinarily good"...



In today's fluctuating currency markets, more and more companies are demanding a fast, efficient currency-dealing service...

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